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# NORTH END

INDUSTRIAL AREA

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MIDDLETOWN  
CONNECTICUT

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**NORTH END INDUSTRIAL AREA  
PRELIMINARY MARKET AREA PLAN  
AND  
IMPLEMENTATION STRATEGY  
MIDDLETOWN, CONNECTICUT**

**Prepared For:**

**City of Middletown**

**Prepared By:**

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**in association with**

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**May, 1993**

## **ACKNOWLEDGEMENTS**

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Sebastian J. Garafalo (November, 1991 - May, 1993)

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### **Connecticut Department of Economic Development**

Joseph J. McGee, Commissioner

NORTH END INDUSTRIAL AREA  
PRELIMINARY MARKET AREA PLAN  
AND IMPLEMENTATION STRATEGY  
CONTENTS

I.	INTRODUCTION	1
II.	OPERATING PRINCIPLES	2
III.	CONCEPTUAL REDEVELOPMENT PLAN	3
	A. Development Opportunity Areas	3
	B. Rehabilitation Opportunity	4
	C. Project Image	5
	D. Traffic Access	5
IV.	IMPLEMENTATION STRATEGY	7
	A. Industrial Revitalization Strategy	7
	B. Small Business Incubator	8
	C. Project Marketing	12
	D. Financial Assistance to Business	13
	E. Project Budget Outline	13
	F. Immediate Action Projects	14
V.	PLANNING AND MARKET ANALYSES	16
	A. Dominant Factors Impacting Study Area	16
	B. Study Area Characteristics	16
	C. Industrial Market Assessment	17
	D. Site and Environmental Assessment	27
	E. Development Regulation Assessment	27
	F. Traffic and Highway Access	29
	G. Regional Labor Skills	36
	H. Community Perceptions of the North End Industrial Area	40
	I. Cost Benefit Analysis	42

APPENDICES

A.	Selected Industrial Developments - Descriptions
B.	Middletown Region Industrial Developments - Vacancy Rates
C.	Middletown Region Industrial Developments - Lease Rates/Sale Trends

## **I. INTRODUCTION**

Middletown was settled in the 1650's as an agricultural community. During the 1700's it became an active shallow-harbor port for trade with the West Indies, and the official port of entry for the Connecticut River. In the late 1800's, with the completion of the railroad, the City became a regional industrial center. During the 19th century, the North End Industrial Area flourished with early factories powered by local streams and rivers. While the City remains a regional center for commerce and employment, industrial development trends have shifted away from the City's core area toward the interstate highway corridors. Those trends have contributed to the decline of the North End Industrial Area and create the need to find a new direction for this area.

The City of Middletown and the Connecticut Department of Economic Development have commissioned this study of the North End Industrial Area to determine the feasibility of revitalizing the area as an urban industrial park. The study generally encompasses: Miller Street, Bridge Street, North Main Street, Pease Avenue, Spring Street and Stack Street.

The goal of this study is to identify development opportunities and constraints, potential impacts of the environment and the economy on the feasibility of initiating a project, the measures which will be required to overcome identified impacts, and an action plan to move the identified project to the implementation stage.

This study should be classified as an inventory and assessment of the potential to create a successful revitalization project in the North End Industrial Area. It provides a basis for decision-making and is not a definitive technical document. Once a decision is made as to an exact scope of a project, engineering design, environmental remediation, a marketing program and a project financing plan and budget must be prepared.

## **II. OPERATING PRINCIPLES**

The redevelopment plan for North End Industrial Area is intended to reverse the decline of the area, and stabilize the district by identifying a new role for the district in Middletown's economic base.

The plan provides a strategy to keep the area a vital industrial use district within the City. This vitality is important in terms of providing job opportunities for City residents; retaining a segment of the City's tax base; supporting business growth and investment in the City and stabilizing a district that abuts the core of the City. The strategy is intended to encourage reinvestment or new investment along North Main Street without infringing on the surrounding residential neighborhood.

The plan recognizes that the North End Industrial Area is different than the I-91 industrial districts but that each area can contribute to the industrial base of the City.

The plan seeks to build on the strengths which exist in the North End today.

The revitalization plan intends to work with existing property owners and businesses now located on North Main Street. The intent is to strengthen the existing industrial base and to fill vacancies and promote new development to meet the needs of small businesses. The City is to function as a facilitator for change, channeling needed public improvements to the district and promoting private business investment.

The plan expects to see gradual change in business mix and activity, and the physical condition of buildings over time. It builds upon the City's committed infrastructure improvements to the area and encourages simple and achievable actions to be completed as soon as possible to build the momentum needed to sustain change and promote the areas transition to a small business incubator and wholesale/distribution district.

The plan recognizes that new growth must be accompanied by improved access to and visibility of the area. Unique assets such as railroad access need to be exploited. Environmental problems will require remediation in order to reuse some of the buildings and sites.

The plan is not static. It will need to change as circumstances change, and so constant evaluation is required. An organization and staff which is responsible and accountable for the plan and with representing the North End Industrial Area is crucial for long term success.

### **III. CONCEPTUAL REDEVELOPMENT PLAN**

The Conceptual Redevelopment Plan for the North End Industrial Area follows the framework established by the operating principles and a vision for the future of the area. Activities to update the existing fabric of the North End Industrial Area and to promote new private investment are proposed in the following five functional area: Development Opportunity Areas, Rehabilitation Opportunities, Project Image, Highway Access and Project Area Improvements. Each of these areas is essential to upgrading the North End Industrial Area and each relies upon the implementation strategies, to be discussed later, in order to be realized.

In order to stabilize the Study Area and attract new investment, the City must work within the constraints of current market realities and promote a program that focuses upon small businesses, as the primary industrial occupant of the North End Industrial Area. This focus can regenerate industrial and distribution uses in the area and return the district to a contributing part of the City's economic base. The Industrial Site Plan which follows on the next page provides an illustration of how the area can look and function after redevelopment.

#### **A. Development Opportunity Areas**

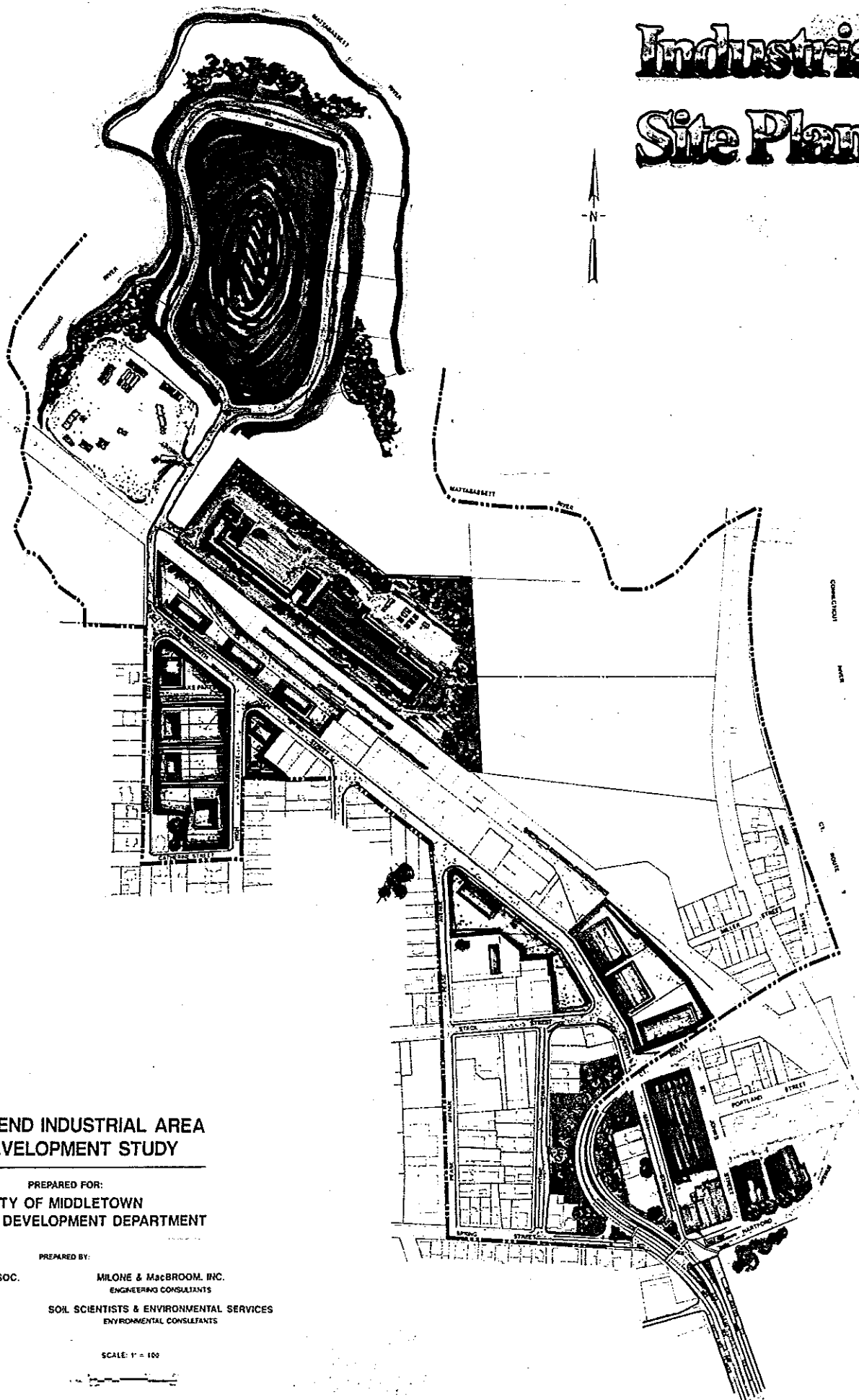
Generation of new uses is a primary objective of the concept plan for the North End Industrial Area. A few sites for new structures currently exist along North Main Street. The City should work with the current owners of these sites to market them to small businesses. Creation of small parcels of one to one and one-half acres appears to be most marketable in today's real estate environment. These sites can comfortably accommodate 10,000 to 15,000 square feet of building with associated parking, loading and landscaping.

Parcels on the northerly side of North Main Street have the potential of rail access to serve new uses. An existing business on the north side of North Main Street has successfully utilized rail access to create a competitive market advantage in the building materials sector. Targeting potential rail users for these sites is warranted due to the special locational feature provided by rail access.

Only one site is recommended for public assembly at the outset of the redevelopment program. The Meech and Stoddard buildings are located at the gateway to the district and appear to have outlived their economic usefulness. This property should be assembled and combined with the abutting Connecticut Department of Transportation property into three one-acre parcels with rail siding. The parcels could easily be combined if a larger user is identified during the marketing period.

The EIS Brake Parts property was not formally a part of this study effort. As it

# Industrial Site Plan



## NORTH END INDUSTRIAL AREA REDEVELOPMENT STUDY

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APRIL 1993

SCALE: 1" = 100'

is a dominant property and recently vacant, it merits mention here. This type of industrial property is extremely difficult to find a new user for and throughout the urban areas of Connecticut there are many similar buildings vacant for decades. Therefore, if the City is given an opportunity to gain control over the site, it should accept the property as cleared land with the possible exception of the new addition on the western portion of the property. Once cleared, the site can easily be subdivided into several parcels.

The final vacant site with reuse potential is currently owned by the City. It is the southerly portion of the municipal landfill site adjoining the railroad right-of-way. It does not appear that this area was used as a landfill. This area can serve as an outdoor materials storage area in support of railroad operations and to supplement the storage areas of other businesses in the district.

Development opportunity sites are illustrated on the following Potential Development Sites map.

**B. Rehabilitation Opportunity**

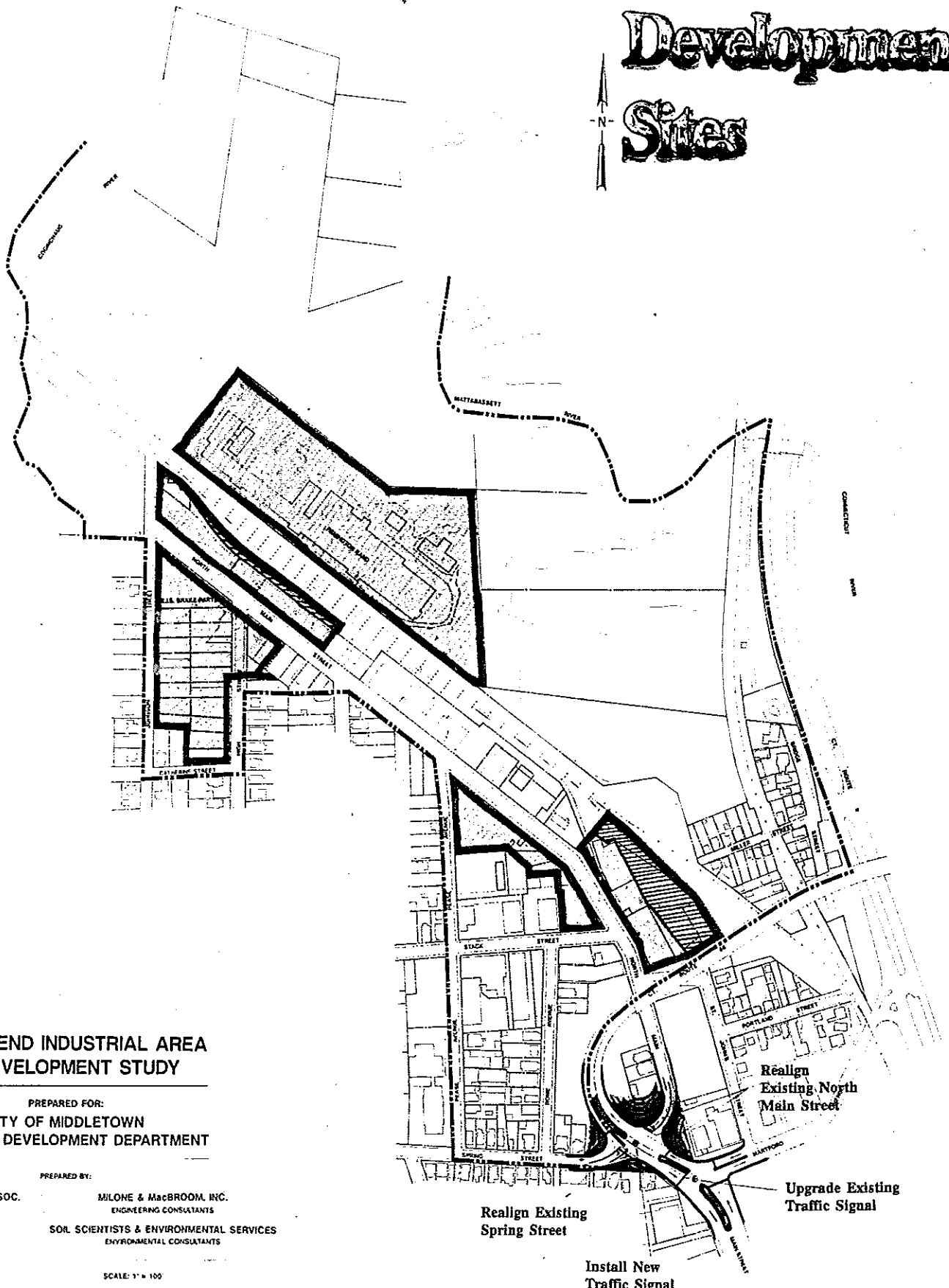
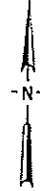
The primary rehabilitation opportunity in the North End Industrial Area is with the Remington Rand buildings. These buildings contain approximately 187,000 square feet of space and portions of the complex have been in industrial use since 1897. A Phase I Environmental Site Assessment was conducted for the property. A Phase II Assessment will be required to quantify the extent of hazardous waste remediation required and to estimate the cost of that remediation. As the cost of remediation will be critical in the feasibility of reusing the complex, commissioning the Phase II assessment should be a priority activity.

The complex consists of a series of interconnected one and two story mill type structures. The original mill structure is two stories and fifty foot wide and over nine hundred feet long. Most other buildings extend off this main structure. See Figure 1. Currently about 50,000 square feet of the complex is leased for warehouse use by Stone Container to support its Portland corrugated box manufacturing operations.

The property is undergoing bankruptcy proceedings and therein lies the opportunity for the City to encourage new ownership/investment in the property. Without fitting the property into a larger redevelopment scheme for the area and assisting in defining the cost of remediation and marketing the area, it is unlikely the property will be upgraded. As a minimum, technical assistance for environmental remediation should be provided by the City. Also, the Community Development Block Grant Program may be a resource to assist with rehabilitation of the building.

The reuse theme around which the complex can be rehabilitated is for the buildings

# Potential Development Sites



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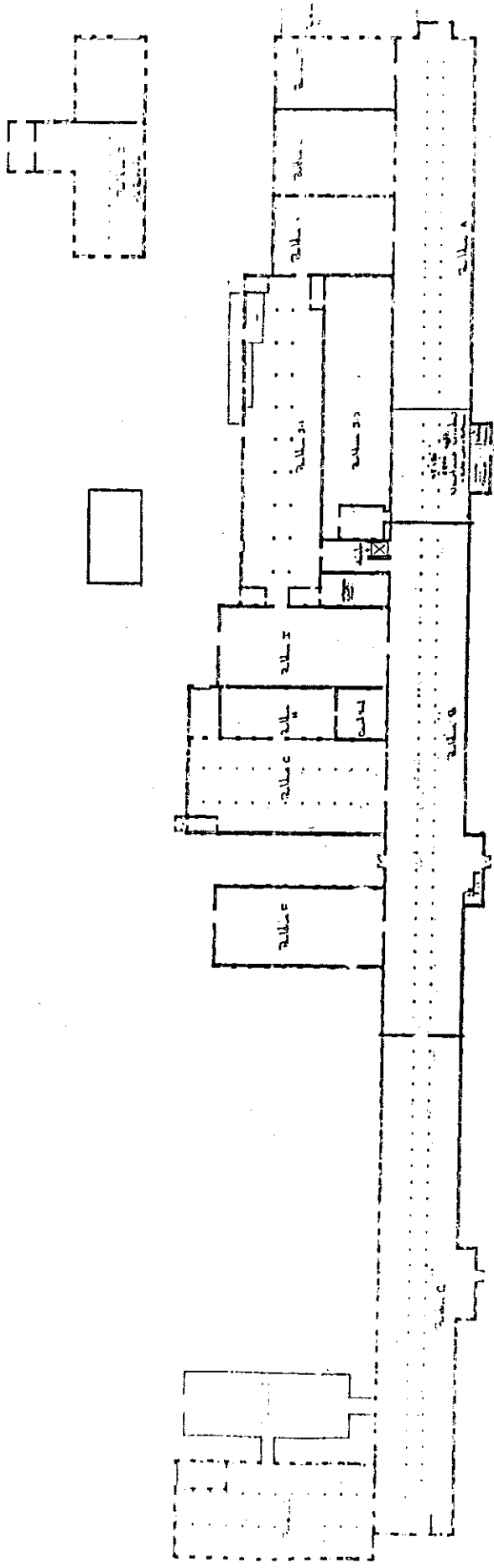
SCALE: 1" = 100'

Realign Existing  
Spring Street

Realign  
Existing North  
Main Street

Upgrade Existing  
Traffic Signal

Install New  
Traffic Signal



FIRST FLOOR PLAN  
REAR VIEW

# Remington Rand Building

Figure 1

to function as a small business incubator and a wholesale/distribution facility. Addition of a rail siding on the southerly face of the building can enhance its distribution capability. This improvement has tentatively been discussed with Connecticut Central Railroad officials by the current tenant. Also additional loading docks are required to facilitate movement of goods.

The northerly section of the buildings offer potential to accommodate a small business incubator facility catering to users of 500 square feet to 2,500 square feet. Approximately 42,500 square feet in the northerly section should be reserved for this activity. A non-profit business development agency must be found to manage and provide business support services at the incubator. The Chamber of Commerce has expressed tentative interest in this function. Currently, Middletown has no formal programs devoted to promoting start-up companies. As Middletown is among the leaders in the State in promoting and servicing business development, creation of a small business incubator will complete the spectrum of services offered in the community. The implementation section of this report will further outline the requirements for a small business incubator.

The long term strategy for recycling this building complex is to build a base of market sustainable uses and incrementally update the property to include more production type uses particularly in the second floor space. Low cost space is essential to attracting tenancy in the current market environment and for the type of occupancy envisioned. This factor alone will limit the extent of improvements that can be sustained by the buildings cash flow. However, distribution and incubator uses do not require extensive fit-out of the space and therefore support the incremental rehabilitation strategy.

**C. Project Image**

A significant weakness of the North End Industrial Area is a lack of a distinct identity in the community. The Route 66 approach to the Arrigoni Bridge, which serves as the southerly boundary of the industrial district, carries in excess of 33,000 vehicles per day. However, little recognition of the existence of the industrial district exists even with the high traffic volumes at the district's edge. Gateway signage and landscaping at St. John's Square, North Main Street and Route 66, can provide the identity the district requires. An entry sign concept and landscape improvements sketch follow-this page.

**D. Traffic and Access**

Based in part on the analysis of existing transportation network conditions, and a recent determination by the Connecticut Department of Transportation that the long-planned Route 9-Route 66 Interchange would not be included on their ten (10) year Transportation Improvement Program (TIP), it was determined that alternate access strategies to the North End Industrial Area were needed.

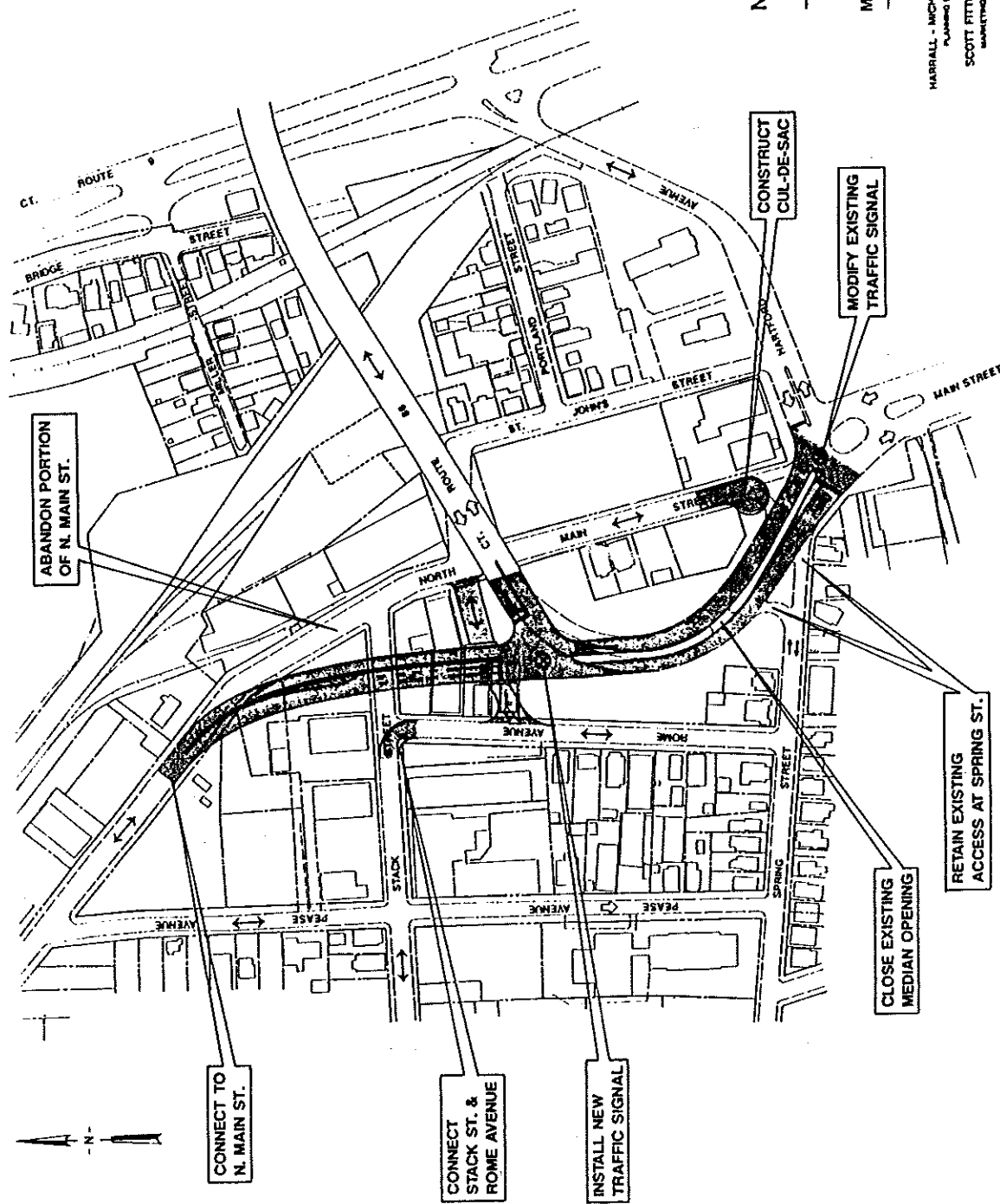
Utilizing the most recent 1989 AM and PM peak hour traffic volume data, as presented in the Draft Environmental Impact Study for the Route 9/66 Interchange, adjusted to 1993 based on ConnDOT Automatic Traffic Recorder (ATR) Count Data, and an estimation of potential traffic volumes that could be generated by the redevelopment and re-use of buildings and land in the North End Industrial Area, a number of preliminary traffic and access alternatives were developed. Initially four (4) alternatives -- A, B, C & D -- were developed and tested for acceptability. These alternatives ranges from relatively modest intersection improvements (Alternate B) to fairly major changes (Alternative A).

Following the preparation of these alternates at an initial meeting with the Middletown Economic Development Committee, informal workshops and discussions were held with the Connecticut Department of Transportation and the Department of Economic Development. These meetings were held to explain the proposed alternates and to solicit some level of confidence from ConnDOT that one of the alternates would ultimately receive their approval and support. Following a presentation to DED, it was suggested that it would be advantageous if the City/State and Regional Planning Agency could "support" one of these alternatives, so as to move forward with the allocation/appropriation of construction monies.

Accordingly, in late April 1993 a presentation was make at a combined meeting of City of Middletown officials (Public Works, Planning, Engineering, Economic Development, Chamber of Commerce, Police and Fire), State of Connecticut officials (Transportation and Economic Development) and to representatives from the Mid-State Regional Planning Agency.

Following this meeting it was generally agreed that a modified scheme, herein identified as Alternative E, was the City's preferred traffic and access plan for the North End Industrial Area.

This "consensus" plan for proposed traffic control and access improvements is to be constructed in two phases. Phase I calls for the installation of a new traffic control signal at Spring Street and Route 66, closure of the existing median opening on the Route 66 approach to the Arrigoni Bridge, geometric modifications to the Spring Street approach to Route 66, revisions to the traffic signal at St. John's Square, revisions to the approach lanes on Main Street at St. John's Square along with landscaping and gateway signage improvements at North Main Street and Route 66.



# TRAFFIC & ACCESS ALTERNATE A

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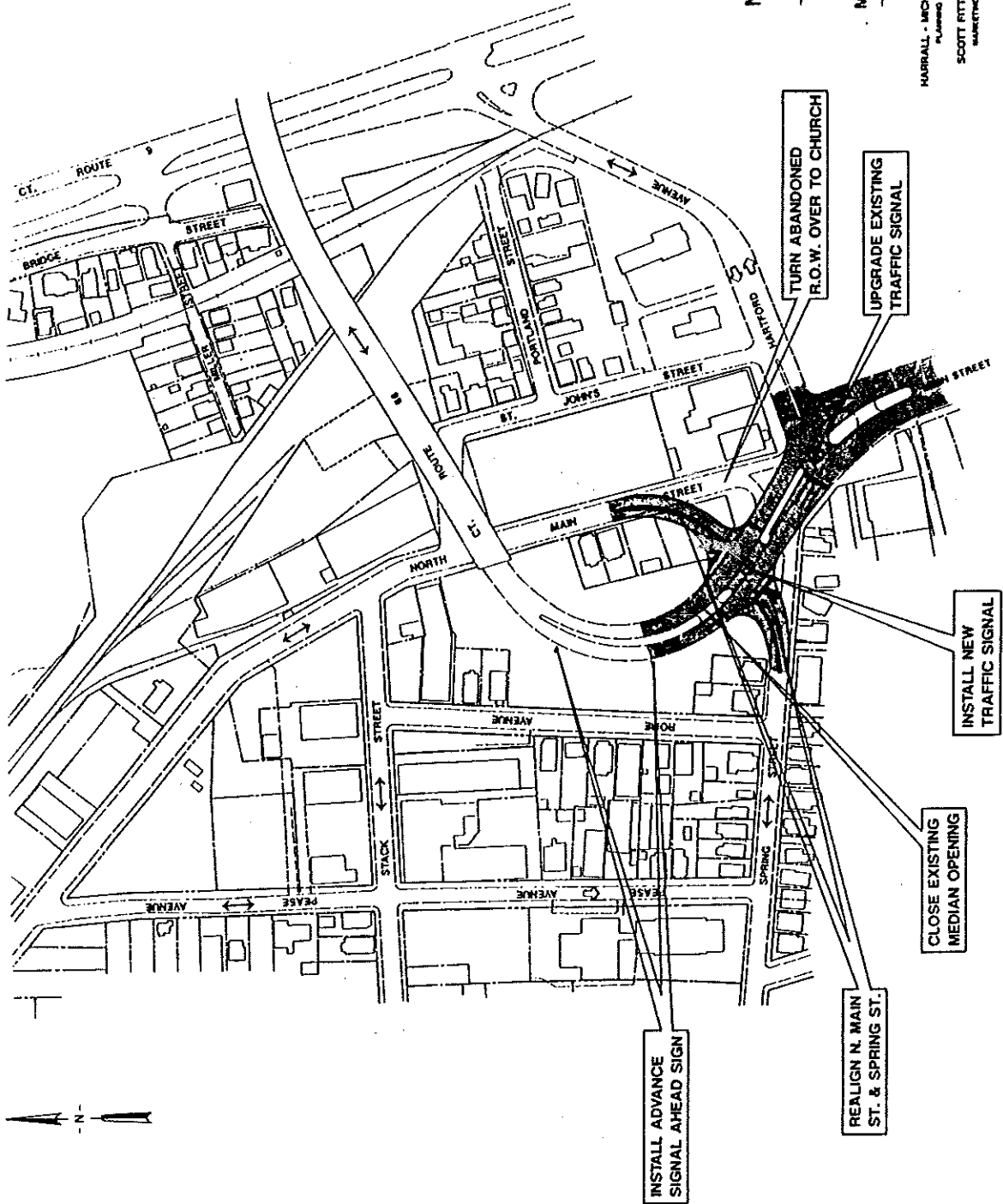
# TRAFFIC & ACCESS ALTERNATE B

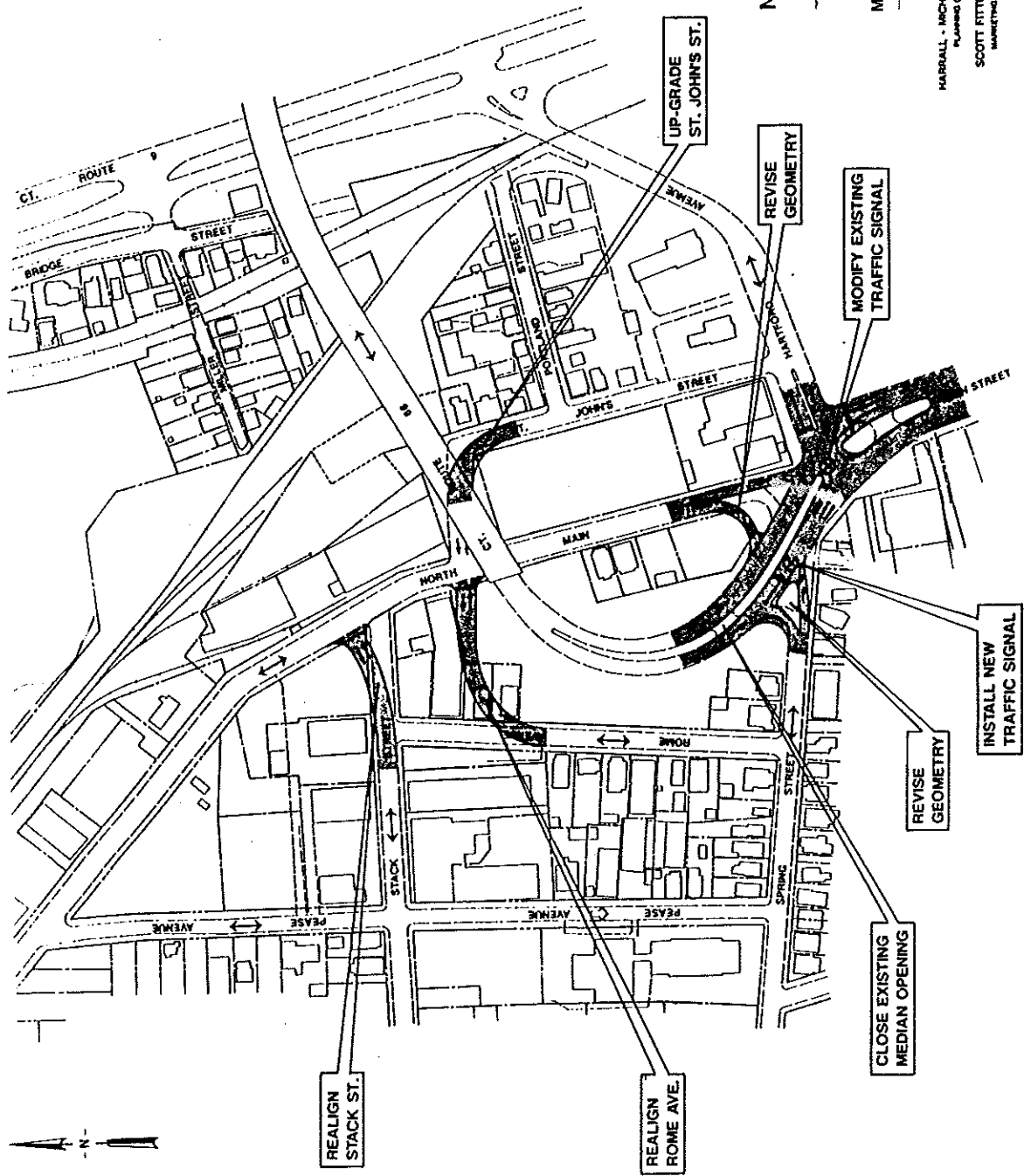
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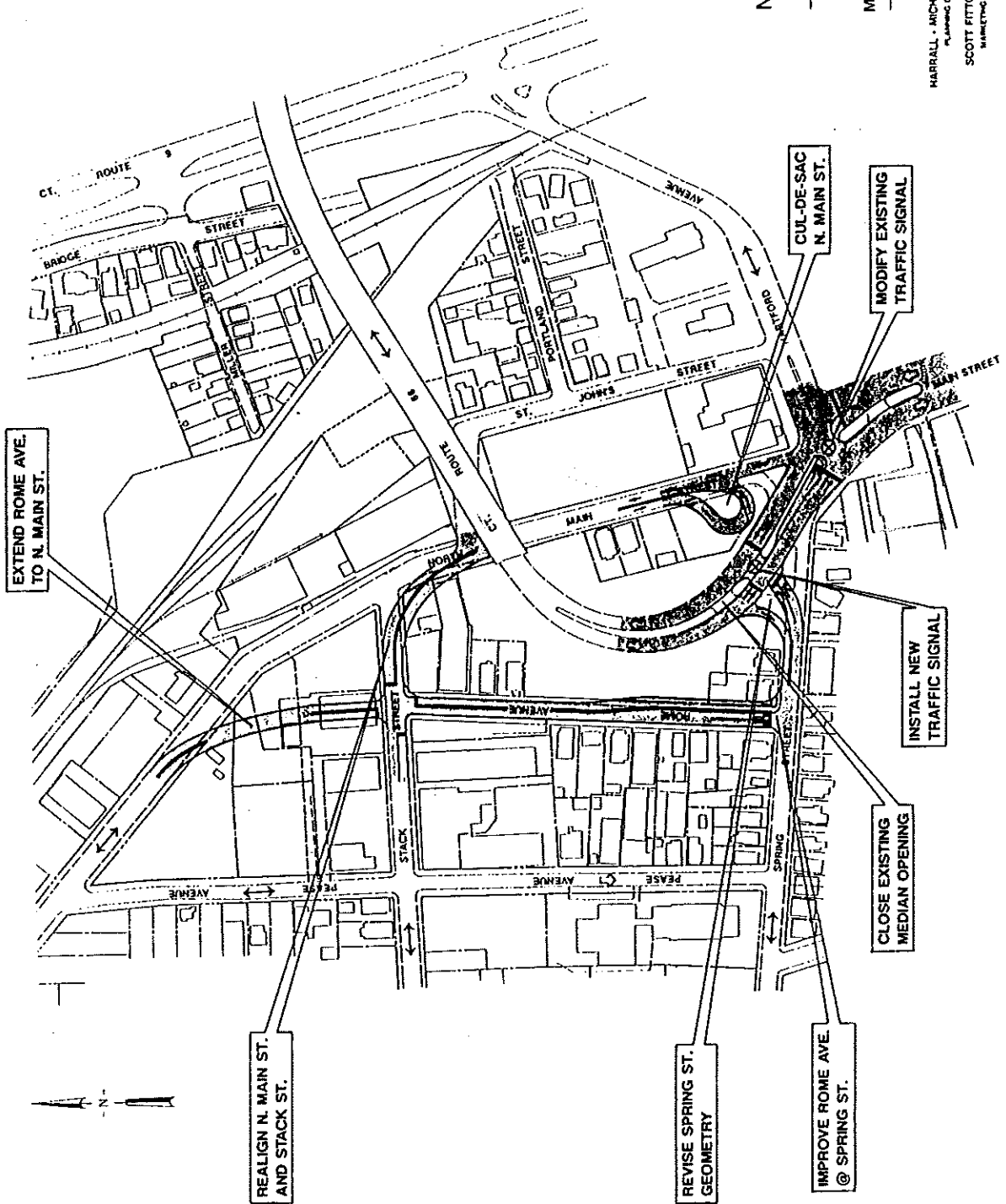


TRAFFIC & ACCESS  
ALTERNATE C

NORTH END INDUSTRIAL AREA  
REDEVELOPMENT STUDY

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# TRAFFIC & ACCESS ALTERNATE D

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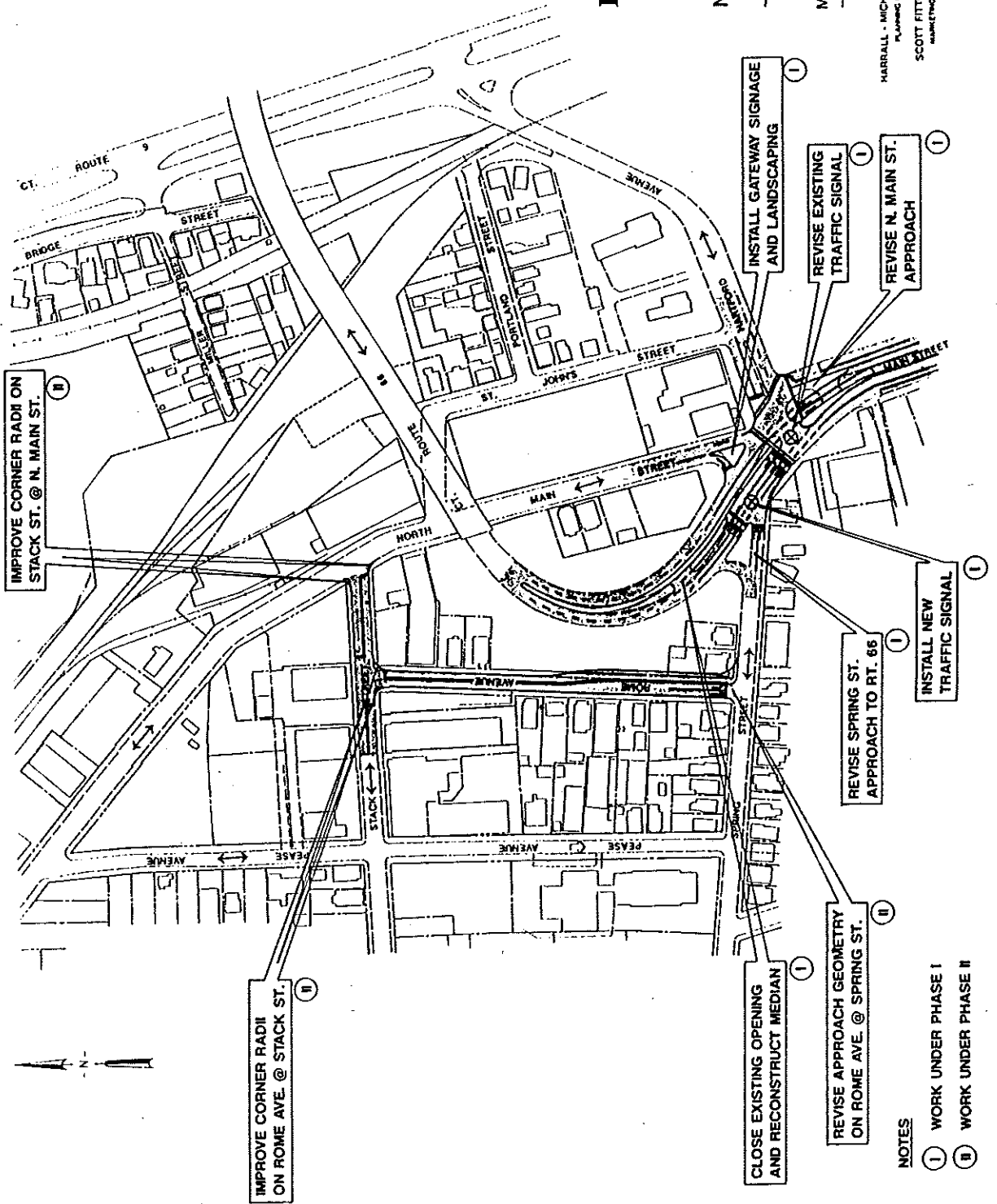
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- NOTES
- (1) WORK UNDER PHASE I
  - (2) WORK UNDER PHASE II

# Locally Preferred Scheme

TRAFFIC & ACCESS  
ALTERNATE E

## NORTH END INDUSTRIAL AREA REDEVELOPMENT STUDY

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#### **IV. IMPLEMENTATION STRATEGY**

Carrying out a revitalization scheme for any industrial district is always a complex and time consuming enterprise. Many factors must be blended together to create a successful revitalization effort. Since neither the public nor private sector holds all the keys to success, collaboration and coordination of efforts are essential to area improvement. Measured improvement on many fronts occurring within a defined time-frame is fundamental to upgrading the area. Public and private improvements must reach a certain "critical mass" before sufficient momentum can be generated to sustain the level of improvement activity.

In order to reach this "critical mass" all Project Area stakeholders must be committed and carry out their portion of the strategy. The City, building owners, businesses, and institutions each have an important role in the revitalization of the North End. Success will be achieved only with all parties contributing to carry out the plan.

The plan for North End Industrial Area is based upon strengthening existing businesses along with public actions intended to improve the image and market acceptance of the area. In order to implement this program, we believe that several actions are necessary. Some actions relate to the systematic implementation of physical improvements and development opportunities. Others are organizational and market oriented.

Simultaneous action along several fronts is required to promote a positive climate for revitalization of North Main Street. The following sections present the implementation strategy for the North End Industrial Area by activity area.

##### **A. Industrial Revitalization Strategy**

Central to upgrading the North End Industrial Area is the need to resolve infrastructure deficiencies and to identify a market niche that the area can service. The industrial market assessment component of this study identified small business incubator/wholesale distribution functions as sustainable market sectors around which to build a revitalization program.

Some of important elements which comprise the revitalization strategy follow:

- Intervention in the North End Industrial Area should be a measured public involvement.
- Access, visibility and identity of the North End Industrial Area should be upgraded at public cost.
- Completion of the sewer separation work in the North End is a critical public improvement for the district. The roadway component of the construction contract should be expanded to include complete roadway

resurfacing and the addition of street trees and other landscaping treatment within the right-of-way.

- The public sector will need to assist in marketing the district and providing investment incentives.
- A principal activity of the revitalization program will be working with existing businesses/owners to stimulate investment including promotion of new ownership.
- Resolution of site contamination problems will require the City to work with property owners in search of solutions. The City should not assume the problems except as a last resort in recycling the property to productive uses.
- The City should pursue Enterprise Zone designation for the district in order to boost its attractiveness as an industrial area.
- The City, through its economic development agencies, will need to coordinate assistance for start-up loans, business plans, SBA-DED-CDA financing programs, CDBG and shared support services to businesses attracted to the district.
- Creation of small parcels, of one to one and one-half acres in size, will be required to attract small business to locate in the area.

**B. Small Business Incubator**

Within the general small business theme for revitalization of the North End Industrial Area, the Remington Rand building has been identified as the location for creation of a small business incubator facility. The northerly section of the building complex has been targeted as having potential to accommodate a small business incubator facility of approximately 42,500 square feet.

Three fundamental aspects of business incubators are: multi-tenant space use; availability of business consulting services; and shared office services among tenants.

Typically, start-up businesses require a small amount of space and this key characteristic creates opportunities to develop multi-tenant operations in properties with limited space availability. Thus, a wide variety of building opportunities can be adaptively reused to accommodate a diverse group of small tenants. These offerings usually allow more affordable rent than would otherwise be available.

It is a well-recognized business concept that small, fledgling operations likely will experience significant difficulties in becoming profitable since the owners and managers often lack the range of skills and knowledge necessary to operate a

business. Thus, one of the key characteristics of business incubators is the offering of business consulting services to cover marketing, financial management and other similar business concerns.

Since most small firms have office space needs but cannot afford to hire full-time support staff and purchase or rent equipment, the concept of shared office services has added a third dimension to the demand for business incubators. For a fee, many users can share in the cost of clerical help, word processing, conference rooms, photocopying and other typical office services.

The key purpose of business incubators is to assist fledgling firms to become profitable businesses. The time businesses spend in incubator projects allows the owners and managers to develop the business and management skills necessary for successful transition from a start-up to a viable small business. Job creation, tax revenues, and other public benefits have been judged to outweigh the public costs in creating the facilities. Thus, the main objective is creating jobs by creating employers and attracting new industry to help diversify local economies.

It is envisioned that certain general business services, shipping and receiving, mail service, copier, clerical service, answering services, receptionist, etc., would be provided by selected establishments located within the incubator facility. For example, a clerical service establishment located within the incubator could, on a contract basis, provide services to other firms located within the building. Likewise, an answering service or receptionist-type firm could similarly provide services (for an established fee), for other firms in the incubator building.

Business, financial and management assistance could be provided either through utilizing public/non-profit staff personnel or by contracting with potential business service firms. This could include such items as assistance on accounting, business planning, advertising, marketing, equity and debt services, business taxes, government procurement, employee relations, computer services, etc.

The management of the incubator facility should either reside within an identified City agency or department or be undertaken by a special-purpose, nonprofit 501C(3) development corporation. Either approach should provide for significant flexibility in operation and management and allow for the utilization of a variety of financial tools. The nonprofit development corporation would allow corporations to make tax-deductible contributions of money, personnel or in-kind services. The nonprofit development corporation may also tend to create a more independent management and oversight function. The utilization of an existing City department or agency could utilize existing staff resources and potentially more easily obtain governmental grants and assistance.

In any event, a board of directors or advisory committee should be created with

representation from local government, area lending institutions, neighborhood groups, community organizations, and educational institutions. No member of the board or committee should have any direct financial interest in any firm assisted by the corporation. A special executive committee or board should have overall operation and organizational responsibility including establishment of policies related to management, operation, financial assistance, marketing/merchandising strategies and entry/exiting policies.

Rules and regulations should be established to provide clear policy direction concerning tenant selection, leasing and screening process, service charges and fees, and entry policies. Established policies and a broad-based, but small executive committee can assure objectivity and professional management and operation of the incubator facility.

■ Remington Rand Building Rehabilitation and Conversion to a Small Business Incubator and Distribution Center

The following assumptions and pro forma for reuse of the Remington Rand property outline the financial context within which the feasibility of the small business incubator will be determined.

Assumptions:

- 187,027 s.f. bldg. area - 170,500 net rentable
- Stone Container remains prime tenant for next 3 years with distribution use
- Three year phase-in to stabilized occupancy
- Non-profit staffs Small Business Incubator support office
- Environmental remediation costs will be resolved in the property transfer activity
- Investments to stabilize property: \$1,000,000

Building Improvements:

Small Business Incubator 42,500 s.f. - minor rehab.	
@ 20/s.f. =	\$850,000

Site Improvements:

Landscaping, site amenities, site lighting, gravel	
parking, roadway repair	Lump Sum \$150,000
Three new loading docks	shared tenant cost
Rail siding - east face of building	RR cost

NORTH END INDUSTRIAL AREA  
 PROJECT: REMINGTON RAND BUILDING -- SMALL BUSINESS INCUBATOR & DISTRIBUTION CENTER  
 LOCATION: MIDDLETOWN, CONNECTICUT

OPERATING INCOME/EXPENSE PRO-FORMA

	YEAR		
	1	2	3
	1994	1995	1996
GROSS INCOME:			
Primary Tenant	\$100,000	\$105,000	\$110,250
Small Business Incubator	\$0	\$0	\$0
500 s.f. users -- 10 businesses	\$25,000	\$26,250	\$27,563
1000 s.f. users -- 10 businesses	\$30,000	\$31,500	\$33,075
2500 s.f. users -- 5 businesses	\$31,250	\$32,813	\$34,453
second floor	\$30,000	\$31,500	\$33,075
Other Distribution Users	\$195,000	\$204,750	\$214,988
Vacancy & Collection Factor @ 20%	(\$82,250)	(\$86,363)	(\$90,681)
Total Potential Income	\$329,000	\$345,450	\$362,723
Phase-In To Stabilized Year	65%	80%	100%
Total Gross Income	\$213,850	\$276,360	\$362,723
OPERATING EXPENSES:			
Taxes (currently \$24,501)	\$28,500	\$33,840	\$42,500
Repairs & Maintenance	\$60,000	\$50,000	\$40,000
Common Area Utilities	\$5,000	\$5,200	\$5,408
Common Area Security & Expenses	\$40,000	\$41,600	\$43,264
Management Fee @ 5%	\$10,693	\$11,120	\$11,565
Reserve Account	\$12,000	\$12,480	\$12,979
Insurance	\$15,000	\$15,600	\$16,224
Marketing	\$25,000	\$10,000	\$10,400
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Total Operating Expenses	\$196,193	\$179,840	\$182,340
NET INCOME (LOSS)	\$17,658	\$96,520	\$180,382

### **C. Project Marketing**

It is recommended that the City of Middletown play a significant role in the overall marketing and promotion of the North End Industrial Area. This is particularly the case should the North End be designated an Enterprise Zone but is a necessary element to any revitalization effort. In fact, communicating a strong public commitment to the redevelopment of the North End is one of the most powerful messages the City can convey, and should significantly enhance the appeal of the area. This marketing should be broad enough to support both private ventures within the North End and public initiatives designed to enhance the marketability of the industrial area.

#### **■ Development of Marketing Strategy**

The master plan will be integral to the success of the North End at every level. This report begins to outline some of the elements of that plan. In addition to providing overall development guidelines, the master plan should outline specific marketing goals and expectations. While the plan must be clear and directed, flexibility is important. Above all, the plan should establish guidelines to coordinate all components of the development plan. The plan should enable the incubator, manufacturing, and warehouse users to coexist, if not complement each other, within the project area. Vacant parcel sales should proceed in concert with promotion of general leasing program. And if designated, the Enterprise Zone program benefits should be fully integrated into the overall marketing effort.

#### **■ Development of Marketing Budget**

An serious effort to redevelop the North End will require a long term commitment to a marketing program for the area. The cost of such a program is often frontloaded in the first two to three years of the redevelopment program. In some cases, jumpstarting an industrial redevelopment program requires dedicating full-time staff to the project. Given the limited scope of industrial program recommended for the North End, a heavy-handed marketing program is not recommended. A suggested annual budget for the first three years that includes staff or administrative support should not exceed \$50,000.

#### **■ Initial Marketing Expenditures**

- Prepare an inventory of the available buildings and sites within the Project Area
- Improve Site Signage
- Creation of Project/Graphic identity including name
- Project Area Brochure
- Newsletter
- Special Events to highlight private and public investment in area

■ **Direct-Mail Broker Package**

Initial direct-mail piece to the local brokerage community should illustrate the location of the area, identify the separate parcels and buildings presently being marketed on the site, and communicate the master plan. This package should also contain all the information pertaining to Enterprise Zone benefits, should the North End be designated.

■ **Staff Support**

Direct public involvement through commitment of staff, either through the City or an appropriate non-profit, is essential to maintaining consistency with goals and objectives of the marketing and development program.

**D. Financial Assistance to Business**

Middletown is fortunate to have in place several programs and agencies devoted to stimulating business growth and investment. These resources must be marshalled and targeted to the North End Industrial Area as key ingredients for stimulating business investments. Interviews with private financing sources indicated little availability of financing for small business industrial investment. Therefore, the burden of financing is shifted to public sources.

The Municipal Development Office should take the lead in coordinating the City's REINVEST Loan Program and JOBS Loan Program along with SBA and DED program resources.

If the North End Industrial Area receives a designation as State Enterprise Zone a number of significant incentives will be available to the area. Some of the more important incentives are:

- A 5-year, 80% tax abatement on real and personal property (certain new machinery and equipment may be eligible for a 4-year, 100% local property tax abatement).
- A 10-year, 50% Corporation Tax Credit for qualifying Enterprise Zone firms.
- A \$1,500 grant for each new, permanent full-time job that is created. The maximum grant amount is \$75,000.

**E. Project Budget Outline**

Several funding sources will be required to pay for the proposed project area improvements. In this period of limited government budgets and uncertain private financing markets, this task is a difficult one. However, by combining several resources together, a viable program funding package can be developed.

The largest public funding requirement is for the sewer separation program, most of which is currently in place. Other sources to fund the project include the State DED Industrial Park Program, federal ISTEA funding for the Transportation Improvement Program (TIP), Community Development Block Grant Program and City funds. The following sources and uses of funds outlines a budget structure for undertaking public improvements in the project area.

**NORTH END INDUSTRIAL AREA  
PROJECT: INDUSTRIAL PARKS PROGRAM  
LOCATION: MIDDLETOWN, CONNECTICUT**

**PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS**

**SOURCES:**

State DED Project Grant (50%)	\$490,000
City Project Contribution	\$490,000
Land Sales	\$60,000
Traffic Improvements Funding (ISTEA thru RPA)	\$448,500
Sewer Separation	\$2,003,000
Surface Improvements (sewer project)	\$930,000
Other Proceeds (CDBG)	\$49,000
<b>Total Sources</b>	<b>\$4,470,500</b>

**USES:**

	\$2,003,000
Sewer Separation	\$930,000
Surface Improvements (roads, etc.)	
Aquisition:	\$300,000
North Main St. - 2 parcels	\$45,000
Assembly Factor @ 15%	
Environmental Remediation:	\$25,000
Phase II - Remington Rand	\$200,000
Contaminated Soils Removal Fund	\$8,000
Other Phase I studies	
Demolition & Disposal:	\$75,000
misc. buildings	\$15,000
Relocation Costs	\$448,500
St. John's Sq. Traffic Improvements	\$79,000
Misc. roadway improvements	\$25,000
Project Landscaping & Signage	\$100,000
Small Bus. Incubator Start-Up Contribution	\$40,000
Marketing Program	\$40,000
General Administrative Expenditures	\$67,000
Engineering Services - Traffic/Landscaping	\$25,000
Other Professional Services	\$20,000
Legal Services	\$25,000
Other	
<b>Total Uses</b>	<b>\$4,470,500</b>

**F. Immediate Action Projects**

The proposed implementation strategy is multi-faceted and is viewed as an ongoing process. Undoubtedly, program emphasis will change over time in response to development opportunities, market shifts and availability of funding. In order to get the program moving and demonstrate to the public the commitment of the City

to the program, efforts should begin immediately on those elements of the program that can be accomplished quickly. Items totally within the City's jurisdiction, items of limited cost, items of high visibility should be pursued immediately. Such items are outlined on the following First Year Action Plan and Estimate Budget table.

Table 1  
North End Industrial Area  
Revitalization Program  
First Year Action Plan & Estimated Budget

<u>ACTION</u>	<u>ALLOCATION</u>	<u>ACTOR/SOURCE</u>	<u>COMMENTS</u>
PROJECT DESIGNATION			
o Adopt Plan & Strategy	None	P&Z Comm./City Council	
o Application for DED Industrial Project	None	MDO	
o Application for Enterprise Zone	\$2,500	MDO/Operating Budget	Zone District mapping & demographics
o Create Community Board	None	City Council	
ENVIRONMENTAL REMEDIATION			
o Phase II Remington Bldg.	\$25,000	MDO/DED Planning Grant	as needed
o Phase I reports	\$8,000	MDO/DED Planning Grant	
o FEMA Map Amendment	\$500	MDO/DED Planning Grant	
SITE IMPROVEMENTS			
o St. John Sq. Traffic Design	\$60,000	Eng. Dept/Project Budget	at St. John's Square
o Project Landscaping & Signage Design	\$7,000	Eng. Dept/Project Budget	
o District Gateway & Signage	\$7,000	Eng. Dept/Project Budget	
o Landscaping Plan for Municipal Landfill	to be determined	Eng. Dept/Project Budget	
SITE ASSEMBLY:			
o Acquire Development Site	to be determined	MDO/Project Budget	
MARKETING PROGRAM			
o Prepare Available Bldg. & Site Inventory, Sale & Lease Info.	None	MDO/Operating Budget	Major emphasis on Enterprise Zone if selected
o Refine Market Strategy	\$2,500	MDO/DED Planning Grant	
o Create Project/Graphic Identity	\$1,500	MDO/DED Planning Grant	
o Develop Initial Project Area package	\$5,000	MDO/DED Planning Grant	
o Identify & Solicit Users through Direct Mail program	\$2,000	MDO/DED Planning Grant	
o Identify PR opportunities	None	MDO/Chamber	
INCENTIVE PROGRAMS			
o Explore tax assessment deferral for renovation projects Section 12-65-c-f CGS	None	City Council	10 year phase-in of rehabilitation value
o Loan Pool for Small Business Investment	\$490,000	City/JOBS/REINVEST	
o Target local programs	None	MDO	
SMALL BUSINESS INCUBATOR			
o Identify Operating Entity	None	City Council	

MDO - Municipal Development Office, City of Middletown  
DED - Ct. Department of Economic Development

## **V. PLANNING AND MARKET ANALYSES**

The redevelopment plan and implementation strategy presented in this report is based upon a series of assessments, analyses and interviews conducted over a two month period. This section summaries some of the major areas of investigation undertaken as part of this study and the findings which resulted.

### **A. Dominant Factors Impacting the Study Area**

There are several geographic factors which shape the redevelopment possibilities of the North End Industrial Area. Wetlands and flood boundaries, the Route 9 corridor and approaches to the Arrigoni Bridge (Rt. 66), the railroad rights-of-way, the large adjoining residential neighborhood, the municipal land fill and the access issues shape the extent and scale of the redevelopment possibilities of the area. (See Dominant Factors Map) The vacant EIS Brake Parts buildings and the partially vacant Remington Rand buildings represent the demise of high density manufacturing operations in the district. A turning point has been reached where either building vacancy and possibly abandonment will dominate the area or a new direction with new investments made in the reuse of the area.

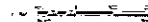
The existing land use characteristics of the Study Area are illustrated on the attached Existing Land Use Map. With the exception of the residential Miller/Bridge Street area, the non-residential uses are contiguous to each other and buffered by the street system from most of the residential area. North Main Street has sufficient non-residential uses and density of such uses to form the spine of an industrial district that has the potential for sufficient mass to be viable.

### **B. Study Area Characteristics**

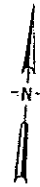
Understanding the strengths and weaknesses of the North End Industrial Area is the first step towards generating a strategy to revitalize the area. The strengths of the area become the foundation upon which a revitalization strategy must rest and build. The area's weaknesses must be recognized, understood and overcome. Some of the more prominent strengths and weaknesses of the North End Industrial District are:

#### **Strengths**

- Proximity to Rt.9/interstate highway network
- Close to labor force
- Close to Downtown services
- Railroad access
- Public transportation
- Surplus labor supply
- Zoning-IRA-minimum of use/bulk restrictions



# Existing Land Use



## EXISTING LAND USE LEGEND

- RESIDENTIAL
- INSTITUTIONAL
- CITY OF MIDDLETOWN
- COMMERCIAL AUTOMOTIVE SERVICE/SUPPLY
- COMMERCIAL MARINE SALE/SERVICE
- COMMERCIAL GENERAL RETAIL/SERVICE
- COMMERCIAL WHOLESALE/STORAGE
- COMMERCIAL CONTRACTORS YARD
- COMMERCIAL PROFESSIONAL OFFICE
- INDUSTRIAL
- PARKING
- VACANT

## NORTH END INDUSTRIAL AREA REDEVELOPMENT STUDY

PREPARED FOR:  
CITY OF MIDDLETOWN  
MUNICIPAL DEVELOPMENT DEPARTMENT

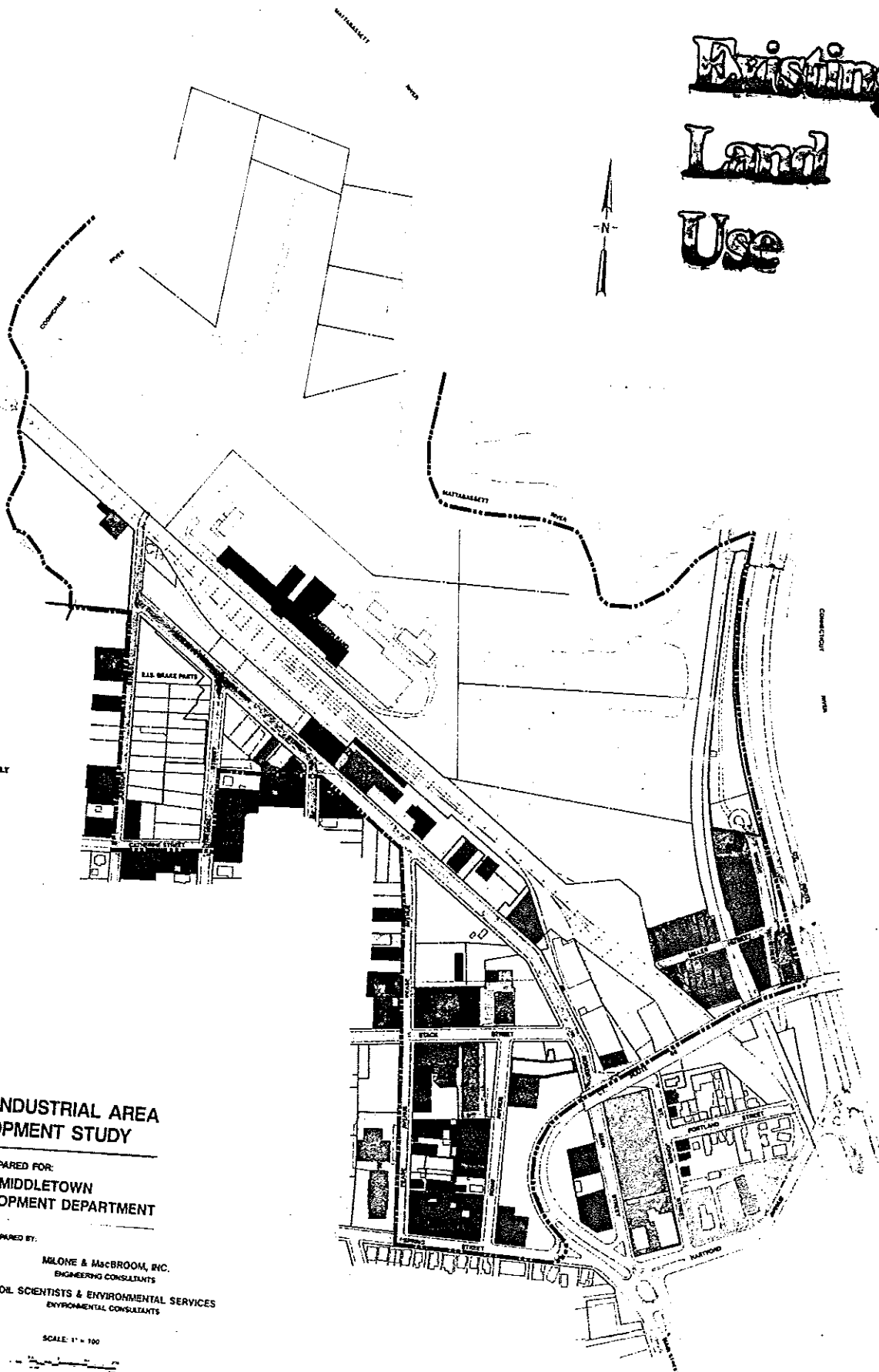
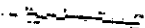
PREPARED BY:

KARRALL & HALOWSKI ASSOC.  
CONSULTANTS  
SCOTT & CO., INC.  
MARKETING CONSULTANTS

MILONE & MacBROOM, INC.  
ENGINEERING CONSULTANTS  
SOIL SCIENTISTS & ENVIRONMENTAL SERVICES  
ENVIRONMENTAL CONSULTANTS

APRIL 1993

SCALE: 1" = 100'



- Historically used for industry
- Infrastructure in place/sewer separation project
- Major parcels to change ownership soon

#### Weaknesses

- Visibility-poor, not a signature location
- Image-poor, lacks identity as industrial district
- Access-ingress fair, egress-poor
- Traffic could conflict with residential uses
- Obsolete building types
- City landfill-image, liability
- Potentially contaminated sites
- Limited growth/expansion potential

### **C. Industrial Market Assessment**

#### ■ Study Area:

For the purpose of this analysis, we have defined the study area as incorporating the following towns:

#### Middletown Study Area

Berlin  
Cromwell  
Meriden  
Middlefield  
Middletown  
Rocky Hill  
Portland

#### ■ Characteristics of Industrial Space:

Our survey of select industrial buildings in the Middletown region is intended to provide an indication of the strength and character of the market for industrial space in the region, as well as to identify potential market opportunities for industrial development in the North End of Middletown (Subject Property). The following chart on select complexes and buildings represents a survey of the more significant complexes, both multi-tenant and single user. Where appropriate, we have included owner-occupied buildings. While a majority of the buildings are primarily designed for industrial, high tech, wholesale, distribution and warehouse uses, some of the complexes offer

space for other complimentary uses, including office, accounting and clerical functions.

Our survey includes 43 complexes with a total of 132 buildings, comprising 5,629,343 square feet. Within this group, 122 buildings representing 4,049,903 square feet of office and industrial space would be classified as Class A industrial. Based on our research of industrial product in the region, roughly 40% of the inventory is associated primarily with warehousing and distribution, 30% with manufacturing, the remaining 30% with high tech, wholesaling, office and R&D use. Within Middletown, we identified a total of 1,157,900 square feet of industrial space, or approximately 25% of the total inventory in the survey. Close to a third of this space, however, is represented by the 104,000 square foot former Olin Ski building on Smith Street and the largely vacant North & Judd facility on Middle Street.

The majority of the buildings surveyed were built in the last 25 years. Virtually no new construction, however, has occurred in the last three years. One of the newest additions to the spec industrial market is Brickyard Business Center in Berlin consisting of two buildings -- both vacant. In general, brokers and developers report that all new industrial building is "built-to-suit", with financing only available with 100% pre-leasing from credit-worthy establishments.

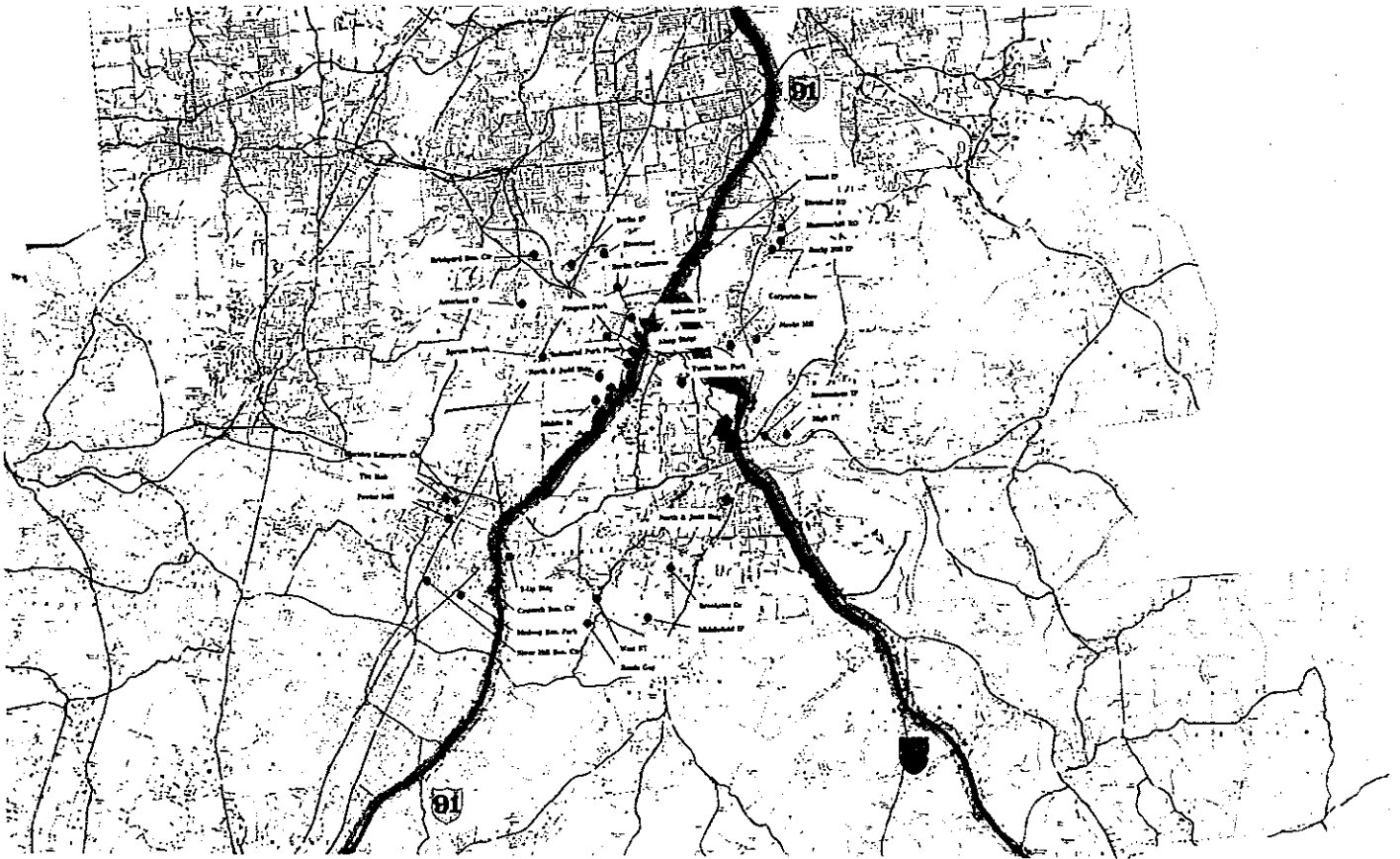
#### ■ Market Environment:

##### Vacancy and Inventory

Leasing activity over the past two years has been extremely soft with little visible sign of improvement over the near term. Unlike the office market, however, the industrial space market is not a victim of overbuilding in the late 80's. The more unsettling problem, in fact, has been the increase of available inventory as buildings come on the market as the result of downsizing, consolidations, failed businesses, and structural changes in the economy, particularly in the areas of defense and aerospace industries. The most dramatic indication of this trend is evidence of negative absorption in the region over the past year. Brokers and owners of industrial space claim the only consistent area of demand is for inexpensive distribution and warehousing space. The only other source of space demand is from new businesses, often start-ups, seeking very cheap space of under 3,000 square feet, typically with a short rental term.

Within our survey, we identified 43 complexes or buildings with roughly 5.5 million square feet of space. Focusing principally on the most marketable

# Industrial Sites



buildings as those built in the last 25 years, we arrive at industrial inventory of 4,049,903 square feet. According to brokers and developers, available inventory in these buildings amounts to 811,458 square feet, or roughly a 20% vacancy overall for the study region.

Middletown ranks highest with a 29% vacancy rate, or a total of 500,900 square feet of available industrial space. Much of the available Class A space is found within five industrial developments in Middletown reporting 20% to 70% vacancy. The most conspicuous project is located at 975 Middle Street where 29,000 square feet of flex office space remains largely vacant. The project is reportedly in the hands of the FDIC and currently listing for \$1,300,000. Other Middletown projects with significant inventory include Tuttle Business Park, Industrial Park Place, and Great River Park - with availability of space ranging from 16,000 square feet to 34,700 square feet.

Not included in the vacancy analysis due to age but worth noting is the vacant Olin building on Smith Street and the North and Judd facility on Middle Street. The Olin building was built in the 1960's and served as a manufacturing plant for Olin Skis. Vacant for over three years, the 114,000 square foot facility now lists for \$2,500,000, down from \$4,000,000 earlier this year. The North & Judd facility is significantly larger at 260,000 square feet. Due to downsizing, however, the facility is only minimally used by North & Judd and in fact, is shared with another tenant occupying roughly 40,000 square feet. The building is currently on the market for \$8,000,000.

#### Market Value and Sales Trends:

Within our survey of industrial projects in the Middletown region, we examined market values for industrial space by location and building type. Overall, among the 132 buildings and complexes surveyed, listing lease rates ranged from \$1.00 net for Class C Industrial space to as high as \$11.00 net for high quality flex office space. Distribution and warehousing facilities typically quoted the lowest rates ranging from \$2.00 to \$4.75, and averaging \$3.00. Manufacturing space, typically defined as offering lower ceilings and between 10 to 30% office space, list between \$2.50 and \$6.00 net. Flex-office space offered the greatest price options depending on quality and amount of office space. In general, however, this type of space listed for an average of \$6.75.

We found that Class A industrial space typically lists between \$5.00 to \$10.00 a square foot net. The most expensive space was found at Inwood Industrial Park, a DeQui Belding development located in Rocky Hill. In this facility, flex office space rents for as high as \$12.00 a square foot. A majority of the

surveyed Class A buildings, offer industrial space for \$5.00 to \$8.00 net, with the better rent deals typically found in Meriden and the more expensive space located in Rocky Hill. The newest addition to industrial building stock is located in Progress Park where a 11,000 square foot facility now under construction will be renting for \$8.00 a square foot.

Industrial space within single level "Class B" space (typically 20 to 40 years old), generally leases from \$2.50 to \$5.00 a square foot. The vacant Olin Building, for example, is listing at \$2.50 a square foot, a recent drop from \$4.50 a square foot. Meanwhile, space at the North & Judd facility is leasing for \$3.25 a square foot. Class C industrial space rarely leases above \$2.00 a square foot, with many brokers privately citing that most deals are made at \$1.00 a square foot.

Numerous buildings in our survey are available for purchase. Based on our research, the average list price for industrial space is \$46.52 a square foot. Listing prices range from \$8,500,000 for the 114,000 square foot former Saab facility in Meriden to \$225,000 list price on the 34,000 square foot former North & Judd facility on Pameacha Avenue in Middletown.

Few actual sales transactions were identified within the Middletown study area of industrial property. Between the years 1990 and first part of 1993, only 11 land sales were discovered. On average, these sales translated to roughly \$70,000 an acre. The most notable sale is the recent purchase of 57 acres on Capital Boulevard in Rocky Hill by Loctite Corporation. Purchased for \$6.3 million, or \$110,000 an acre, the site will be the location of a 230,000 square foot facility. Meanwhile, building transactions in the region ranged from \$20.11 to \$59.36 a square foot and averaged \$39.13 a square foot.

#### ■ Market Opportunities and Challenges:

The marketing challenges inherent in the industrial redevelopment of the North End are significant, but not insurmountable. On the plus side, our research did reveal market opportunities within narrowly defined market niches which focus on traditional manufacturing processes and low-cost labor. The site also has the unique advantage of providing rail access to users, an attribute already being exploited by one user in the North End Industrial Area. We also determined that the local industrial market provided little opportunity for small businesses seeking very inexpensive space in configurations of under 2,500 square feet.

Confronting any redevelopment of this area, however, is graphic evidence

of continued malaise within the local industrial market. Representing a downward trend that commenced in 1990, we find continued softness in rental rates and property values that is consistent with growing inventory of available industrial space. Nor does our research suggest any immediate relief in sight until mid to late 1994, or even 1995. Much of the downward pressure on the market, in fact, is structural in nature. Businesses determined to align themselves more competitively with a global market have begun to eliminate jobs at an alarming rate. Consolidation, downsizing and restructuring have become the lexicon of the 90s, both reducing demand for space, and in some cases, leaving monolithic empty facilities in their wake.

Of more immediate concern, however, is the prolonged deterioration of the market due to continued decline in the defense and aerospace industry, made more acute by Pratt & Whitney's recent announcement to eliminate another 6,000 jobs. And to make matters worse, the virtual lack of any conventional financing for all but the most solid, "blue-chip" businesses, largely eliminates any significant boost in the local economy that would emanate from recovery of the national economy.

Despite evidence of continued distress in the local industrial market, our research does reveal opportunities within defined market segments presently underserved. The most notable market opportunity was found for inexpensive space of under 5,000 square feet. In fact, there is ample evidence throughout the State that through aggressive marketing of a well-defined market niche, older development areas, replete with problematic buildings and sites, can find market acceptance. One formula for industrial re-use is the creation of service-intensive incubator facilities catering to the needs of the small business or start-up. Examples that include Science Park in New Haven, Bridgeport Innovation Center in Bridgeport, and the Enterprise Center in Meriden suggest how older industrial buildings can be converted into successful incubator facilities. Development of such facilities, however, is not for the faint of heart. Incubator facilities require such excessive attention from landlords and project managers that more than 40 to 50 start-ups stretch the resources of management staff.

Science Park has allotted 250,000 square feet of multi-story space in two buildings for its incubator component. Science Park Associates, a specialized consulting arm of the Science Park Development Corporation, both consults small and start-up firms at the Park and around the country, as well as providing a general management role for the incubator. Innovation Center has a total of 275,000 square feet of incubator space in 13 buildings, with 43 tenants to date. These tenants are served by a pro-active on-site management that also provides assistance in development of business plans,

creation of marketing plans, and acquisition of debt and equity financing. Moreover, in both Science Park and Innovation Center, links with local universities are an integral part of the incubator program.

The Meriden Enterprise Center is a fully renovated complex offering over 350,000 square feet of office and manufacturing space. Located within the facility is MEDCO, a local non-profit development corporation, that provides business assistance and consulting services to local firms. All of this is to say that while an incubator program is potentially feasible for specific buildings in the North End Industrial Area (Remington Rand being the most logical), such an endeavor requires a special commitment and level of expertise to be successful.

The issue of market depth for incubator space must also be carefully considered. Our research suggests that the current market could potentially support between 30,000 to 50,000 square feet of incubator space within the North End over the next three years. Market depth beyond this threshold is questionable, despite the general lack of incubator product in the region, due to the growing affordability of newer or better situated industrial space in the region. Yet even within a more contained incubator program, the potential for creating jobs is significant. Assuming an average space allotment of 2,500 square feet, roughly 15 to 20 firms are created, or 60 to 80 jobs.

Aside from incubator space, there appears to be modest support for additional light manufacturing and wholesaling and distribution. Partially confirming the acceptability of the North End for distribution, Stone Containers, a packaging concern located in Portland, is presently using 50,000 square feet in the Remington Rand facility as a distribution center. And based on our research, the most consistent demand within the region was for warehousing and distribution space amounting to between 20,000 to 40,000 square feet. Wholesaling, with some storefront operation, offers a more likely source of demand, however, with the obvious link to the well-established retail center along Main Street. Presently, a number of such concerns exist within the North End including a building supply company, an office furniture company, and auto supply firm.

Light manufacturing, particularly mainstream manufacturing companies operating in Middletown, represent another marketing opportunity for the North End. On the basis of interviews conducted in the course of our research, we identified two such candidates. Such firms are attracted to the North End site in part due to the availability of low-cost, semi-skilled labor in the immediate area. Manufacturing firms already in the area include a manufacturer of gaskets, and two companies involved in metal fabrication.

## ■ Enterprise Zone and Other Assets:

The overall softness in the industrial market presents a formidable challenge to the marketing of older industrial buildings, or even a location that is less than ideal in terms of access. Aggressive marketing and promotion efforts, site improvements, and solid support from state and local government can go a long way towards achieving some success. A re-configuration of the current egress from the North End is also critically important to the marketability of the site. But even with these efforts, the Project Area is left virtually undifferentiated from other re-use projects. And in comparison to prime industrial sites in Berlin, Meriden, Cromwell and even the Westfield area of Middletown, the North End is at a distinct competitive disadvantage.

To effectively compete, even within a limited target market, we believe the North End must be positioned a cut-above the standard fare often confronted in older industrial areas. Within Connecticut, the most effective means for accomplishing this goal is through the establishment of an Enterprise Zone. An application for such a zone is currently being reviewed by appropriate committees within the State Legislature.

The benefits of such designation are apparent to any firm or individual investing in the zone, particularly for manufacturers. Tax abatements, low-cost loans, job grants, credit on corporate taxes, and exemption on sales tax are but a few of the incentives offered under the State's Enterprise Zone Program. But the benefits of a zone go beyond the incentive packages that can be offered to induce investment. An Enterprise Zone also helps to establish a marketing focus and identity that can promote the type of leasing activity and momentum crucial to the long-term viability of the North End.

The current status of the city of Middletown's application for zone designation for the North End is, however, uncertain at the time of this report. While denial of the application clearly does not represent a fatal blow to any plans for marketing the North End, the City should be prepared to formulate an area-specific incentive package, that includes tax abatements, should the zone request be denied.

Along with potential Enterprise Zone designation, the North End Industrial Area also has another distinct advantage over most other industrial areas: namely, rail access. Central Connecticut Railroad includes a spur line through the North End Industrial Area which links with the main line and ultimately south to New Haven. Middletown has already benefited from this rail spur when it became a major consideration in the relocation decision

of Primary Steel to the City. While rail access is not a common requirement, users requiring transportation of raw goods or heavy finished goods may find the economies of rail transportation more attractive.

#### ■ Research & Development Opportunities:

One of the difficulties in determining the marketability of the North End Industrial Area as a prime location for R&D companies is defining what constitutes high-tech research and development. The Bureau of Labor Statistics attempts to shed some light on this matter by defining high tech companies as having heavy reliance on scientific or engineering innovation, representing an emerging or established growth industry, and devoting a higher than industry average to research and development. Yet even with these broadly defined parameters, the task of defining high-tech can be illusive, at best.

What generally can be determined is that high-tech/R&D companies typically gravitate towards three basic types of facilities: incubator spaces with shared services and proximity to unique skills or facilities, flex-space that offers a proper complement of office, laboratory, and processing space, and specialized laboratory facilities operating generally under highly regulated conditions. With the possible exception of the incubator space, R&D space requirements translates into expensive space. The industry norm, in fact, for a mid-level clean room environment is over \$200 a square foot. This compares to typical construction costs on modern manufacturing space of roughly \$60 a square foot. Even when it comes to incubator space, high-tech companies are more apt to sacrifice on space and cost in return for improved location and working environment, particularly if recruitment of highly talented individuals is critical.

In light of these requirements, the North End Industrial Area lacks the necessary site appeal for attracting meaningful interest or investment from high-tech/R&D firms. Even assuming some level of site improvement and enhanced traffic pattern, the perception of the area as an older industrial location, somewhat marginal in appearance, will likely remain unchanged. And while incentives, particularly Enterprise Zone benefits, could tip the scale in some cases, we would anticipate little success from the marketing of the North End to R&D concerns, even start-ups.

Discussions with numerous high-tech firms in the region appears to confirm this tendency towards higher grade space and locations. For example, in the case of one firm interviewed, even an incubator facility with a strong affiliation with a research university is no guarantee of market acceptance.

The president of this firm commented that despite strong pressure from his directors, mostly professors at Yale, he felt that Science Park in New Haven would be an unsuitable location for his bio-technology facility. While security and the perceived stigma of the Science Park neighborhood was a major consideration, he felt that his ability to attract high quality talent was partly dependent on being located in a more suburban community. His firm subsequently located in Branford.

Proximity to Yale and the resources it offers ranked high on the lists of requirement for many R&D firms interviewed, particularly in the cutting edge industries of biotechnology. For some, Middletown is an acceptable distance to this resource, but just barely. The presence of Wesleyan University in Middletown, however, was rarely mentioned as an asset capable of attracting R&D activity within the immediate area. While Wesleyan's standing as an exceptional liberal arts school is commonly acknowledged, the minor role within the university program assigned to applied sciences and technology apparently presents few opportunities for spin-off developments. Despite this fact, there are exceptions. One of the better known examples is the Zygo Corporation, located in Middlefield. Funded in part by Wesleyan University, the company of over 200 workers designs and produces high performance lasers.

#### ■ Other Marketing Considerations:

Regarding other marketing issues, we have several recommendations, including developing a name for the project area. To achieve a strong identity for the area, the name must instantly identify and differentiate the Project from other multi-tenant industrial developments in the region. The industrial area is more than a location for an incubator, or a cheap-rent location. We would also recommend that adequate street lighting be eventually provided to improve perceptions of comfort and security in the neighborhood overall.

To enhance the visual appeal of the main ingress to the industrial area, we recommend a sign identifying the industrial park. We would also suggest some level of patterned curbing and low maintenance shrubs for the entrance. Further, North Main Street should be organized and landscaped in some fashion that promotes security and pedestrian activity. Sidewalks appear to be in poor repair and will require replacement. Attention to pedestrian movement throughout the area is an important site design consideration. At present, the area appears neglected and abandoned.

We would also anticipate that the area could encounter some marketing

problems concerning neighborhood security that is not inconsistent with any area experiencing disinvestment. Somewhat exacerbating the problem is the well-publicized problems associated with the Arriwani Hotel, a home for much of the indigent population of Middletown. Ameliorating these concerns will likely require City and State assistance to provide some concerted plan for safeguarding the neighborhood and improving conditions and social support at the hotel.

■ **Target Market:**

Our recommendations are based on the following anticipated target market which we believe most likely to be attracted to industrial, warehouse, light manufacturing and wholesaling space over the next couple of years in the North End Industrial Area.

■ **Manufacturing Industries:**

- Paper and Allied Products
- Lumber and Wood Products
- Printing and Publishing
- Chemicals and Allied Products
- Leather and Leather Products
- Fabricated Metal Products
- Electric and Electronic Products
- Communications Equipment
- Instruments and Related Products

■ **Wholesale and Distribution:**

- Trucking and Warehousing
- Wholesale Trade (Durable Goods)
  - Furniture and Home Furnishings
  - Lumber and Lumber Construction
  - Plumbing and Heating Supplies
  - Commercial Machines and Equipment
  - Scrap and Waste Materials
- Wholesale Trade (Non-Durable)
  - Drugs, Proprietors, and Sundries
  - Paper Products

Most prospective tenants or new building owners at the North End Industrial Area will originate from within the Middletown region and New Haven County. A designation of the area as an Enterprise Zone should help to

extend the geographic limits of the market area, but not appreciably beyond a 25-mile radius of Middletown. Other focal points of marketing efforts includes such firms traditionally reliant upon rail transportation for movement of freight.

**D. Site and Environmental Assessment**

A site environmental inventory and assessment was prepared for the North End Industrial Area as part of this study by Milone & MacBroom, Inc. and Soil Science and Environmental Services Inc. A summary report document of the findings of that effort was prepared and will not be repeated here. The reader is directed to that document for a review of the following topics:

- historic and archeological resources
- water quality
- flood plain areas
- wetlands
- wildlife utilization
- wetlands quality assessment
- finfish habitat
- endangered species and species of special concern
- sanitary and storm sewers
- preliminary environmental assessment
- summary Phase I Site Assessment - Remington Rand facility

**E. Development Regulation Assessment**

The Study Area is located in an industrial redevelopment area zone under the Middletown Zoning Regulations. This zone is extremely flexible as to bulk, site coverage and use restrictions. The regulations provide for a maximum height of 50 feet; 50% lot coverage with exceptions to 100% coverage possible with adequate provisions for parking and loading; no minimum net lot area, no minimum front or rear lot setbacks; a 100 foot minimum lot width and a 10 foot sideyard. The following are the uses permitted in the zone.

Industrial Redevelopment Area Zone

PERMITTED USES

- 61.01.06 Blacksmith shop, welding or other metal working shop and machine shops.
- 61.01.07 Building and related trades--including carpenter shops, electrical, plumbing, paint shops, heating shops, paper hanging shops,

furniture upholstery and similar enterprises, but not within one hundred (100) feet from any residential zone.

- 61.01.18 Laboratories--including experimental, photographic or testing laboratories, dental and medical, provided no operation shall be conducted or equipment used which would create hazards, noxious or offensive conditions.
- 61.01.19 Manufacturing, including, but not limited to, the manufacture, production, installation, assembly, processing, packaging, reprocessing, remanufacture, reconstruction, recycling, compounding, repair and servicing of goods, wares, merchandise, machinery, machine parts, tools, equipment, products, supplies, food or food products, including, but not limited to, the manufacturing and/or recycling of products from the following previously prepared materials: aluminum, bones, canvas, cardboard, cellophane, cloth, cork, feathers, fiber, fur, glass, hair, horn, leather, metal, paper, plastics, precious or semi-precious metals or stones, sheet metal, shell, steel, textiles, tobacco, wax and yarn; the manufacturing of pottery and figurines using previously pulverized clay and kilns fired only with gas or electricity; rubber or metal stamps and other small rubber products; electrical and electrical appliances, instruments and devices; computers, data processing equipment, television sets, radios, radio communication equipment, marine and automobile radio equipment, emergency lighting and alarm systems, phonographs, refrigerators and stoves; electric and neon signs and lights; ferrous and nonferrous metal products, including heating and ventilating equipment, cornices, eaves and the like; provided, however, that no use or process otherwise specifically prohibited by any other section of this code shall be permitted as a manufacturing use or process under this section.
- 61.01.24 Printing and related trades--including publishing, job printing, lithographing; blueprinting, etc., but not within one hundred (100) feet of any residential zone.
- 61.01.26 Public utilities buildings and structures--including storage yards and vehicle parking area.
- 61.01.28B Physical Fitness Centers.
- 61.01.32 Retail sales or rental--including lumber, paints, hardware and

other building supplies; automobiles, trucks, trailers, boats, motorcycles, new or used; construction equipment, agricultural equipment, power tools, new or used; scientific and laboratory supplies.

61.01.37B Warehousing of items or materials not produced or created on the premises (except items prohibited as shown elsewhere in this Code).

61.01.38 Office buildings--including general and professional tenants.

61.01.45 Motor vehicle body and fender repair and paint shop, provided that no building or structure for said use is located within fifty feet of any residential zone and further provided that all outside storage of materials associated with said business be screened so as to not be observable from abutting properties.

#### **SPECIAL EXCEPTION USES**

61.02.08 Light manufacturing of light industrial use not expressly prohibited by this Code.

#### **F. Traffic and Highway Access**

The North End Industrial Area is served by a network of local and regional highways, local and regional bus service and rail spur line. In addition, the Connecticut River, situated to the east of the site, provides opportunities for limited freight and cargo service via barges along with recreational boat traffic.

##### **■ Existing Highway Network**

In the immediate vicinity of the Industrial Area, there are two principal state routes: CT Route 9 and CT Route 66.

Other major highways that provide regional and interstate access to Middletown include Interstate Route 91, CT Route 17 and CT Routes 3 & 72.

Connecticut Route 9 in the study area, is a four through lane limited access divided highway. With two through lanes in each direction, plus exclusive turning lanes at the signalized intersections, the highway operates under a 45 mph speed limit, increasing to 55 mph, to the north/south. Direct access from the local road network from Route 9 is currently provided by at-grade

intersections at Miller Street (unsignalized), Hartford Avenue (signalized) and Washington Street (signalized). CT Route 9, also known locally as the Central Connecticut Expressway, originates at I-95 in Old Saybrook and continues in a northwesterly direction through Middletown, crossing I-91 and terminates at Interstate 84 further west in Farmington.

Examination of State of Connecticut-Department of Transportation traffic logs shows the following traffic volumes for Route 9:

<u>Year</u>	<u>Vehicles Per Day (vpd)</u>
1987	49,000
1988	49,800
1989	50,300
1990	48,900
1991	48,900
1992	49,000 (est.)

Connecticut Route 66 runs east-west from Route 6 in Windham, crossing Route 2 in Colchester to Route I-691 near the intersection with Route I-91 in Middlefield. The highway is typically a two lane roadway, with at-grade intersections.

Route 66 enters the project area from the east via the Arrigoni Bridge. This four lane structure was built in 1938 and is the only vehicular crossing of the Connecticut River in Middletown. The bridge is two lanes in each direction, with its approach to Main Street at St. John's Square providing two left-turn lanes to Hartford Avenue and two through lanes. The northbound Main Street approach to the Arrigoni Bridge eastbound is three lanes: one right-turn lane, a shared right and through lane, and a left-turn lane. Exclusive turns from North Main Street right onto the bridge and a right-turn bay from the bridge onto Spring Street are also provided. In downtown Middletown, Route 66 traffic follows Main Street south for several blocks, before turning west on Washington Street.

Posted speed limits on Route 66 vary from 35 mph across the Arrigoni Bridge to 25 mph as bridge traffic approaches downtown Middletown. Posted speeds are 30 mph on Washington Street and on Route 66 as it heads west from Middletown.

Traffic volumes on Route 66 for the time period 1987-1992 were:

<u>Year</u>	<u>Vehicles Per Day (vpd)</u>
1987	37,000
1988	37,300
1989	38,300
1990	38,200
1991	33,300
1992	33,400 (est.)

A quick review of the traffic volumes for both of these major highways indicates that Route 9 volumes have essentially returned to 1987 levels after peaking in 1989 and the Route 66 volumes after peaking in 1989 has decreased by about 5,000 vpd from the 1989 peak and almost 3,600 vpd from 1987 levels.

#### ■ Local Street Network

Within the context of the North End Industrial Area Study there are two general classifications of local roads: primary and secondary. Main Street, North Main Street, Hartford Avenue, and possibly Spring Street would be in the primary category, while Pease Avenue, Rome Avenue, St. John Street, Portland Street, Stack Street, Grove Street, High Street, Johnson Street, Catherine Street, Miller Street and Bridge Street would be classified as secondary local roads. Table 2 summarizes the physical and operating characteristics of each of these primary and secondary local streets.

#### ■ Bus Service

While there are a number of local and inter-city bus routes that pass through the North Main Street/Main Street/Spring Street/Hartford Avenue intersection (St. John's Square) on route to the Arrigoni Bridge (Route 66) to Portland, or to Route 9 towards Cromwell and Hartford, there is no direct bus service into the North End Industrial Area at present.

#### ■ Rail Service (Based on the documentation in the Draft Route 9 EIS, dated 2/4/93).

Connecticut Central Railroad (CCCL) operates four freight rail lines in the general vicinity of the North End Industrial Area. Each line is single track with a right-of-way typically ranging from 50 to 100 feet. CCCL property lines typically abut State or Middletown rights-of-way. All lines are leased from the State of Connecticut; the current lease expires in 25 years.

**TAB. 2**  
**LOCAL ROAD INVENTORY**  
**NORTH END INDUSTRIAL AREA REDEVELOPMENT STUDY**  
**MIDDLETOWN, CONNECTICUT**

<u>Street Name</u>	<u>Width Curb to Curb</u>	<u>Direction of Flow</u>	<u>Number of Lanes</u>	<u>Posted Speed (mph)</u>	<u>Adjustment Development</u>	<u>On Street Parking</u>	<u>Curb/ Sidewalk</u>	<u>Traffic Controls</u>	<u>Traffic Volumes (vpd)</u>	<u>Comments</u>
Main St.	60+	N/S	3-NB 2-SB	25	Central Bus. District	Yes	Yes	Signal at Hartford Ave.	19,200	
North Main St.	36'	N/S	1-NB 1-SB	25	Industrial/ Manufacturing	Yes	Yes	Signal @ Hartford Ave.	2,240	Right Turn Only at St. John's Square
Hartford Ave.	30'-34'	E/W	2-EB 1-WB	N/A	Limited Religious	No	North Side Only	Signal @ Main & RT 9	16,700	
Spring St.	32'	E/W	1-EB 1-WB	N/A	Residential	Yes	Yes	Signal @ Hartford Ave.	2,000	Right Turn Only at St. John's Square
Pease Ave.	26'-28'	N/S	1-SB @ Spring 1 @ N. Main	N/A	School/ Residential	Yes	E - No W-Yes	Stop @ N. Main Stop @ Stack	1,000	
Rome Ave.	28'	N/S	1-NB 1-SB	N/A	Residential/ Industrial	Yes	Yes	Stop @ Spring St.	N/A	
St. John St.	28'	N/S	1-NB 1-SB	N/A	Residential/ Cemetery	East Side Only	Yes	Stop & No Left Turn @ Hartford Ave.	N/A	
Portland St.	30'	E/W	1-EB 1-WB	N/A	Residential	Yes	Yes	Dead End Sign	N/A	Dead End at Railroad Track
Stack St.	36'	E/W	1-EB 1-WB	N/A	Industrial	Yes	Yes	Stop @ N. Main Stop @ Johnson	N/A	
Grove St.	28'	N/S	1-NB 1-SB	N/A	Residential	Yes	Yes	Stop @ N. Main Stop @ Stack	N/A	New Construction
Hugh St.	30'	N/S	1-NB 1-SB	25	Industrial (N) Residential (S)	Some Restrictions	Yes	Stop @ N. Main	N/A	
Johnson St.	25'-26'	N/S	1-NB 1-SB	N/A	Industrial (N) Residential (S)	Not Posted	No	Stop @ Catherine	N/A	
Catherine St.	24'	E/W	1-EB 1-WB	N/A	Residential	Not Posted	Yes	Stop @ High St.	N/A	
Miller St.	20'	E/W	-	N/A	Business Residential	Not Posted	No	Dead End @ Bridge	N/A	Stop @ Railroad Tracks
Bridge St.	26'-28'	N/W	1-NB 1-SB	N/A	Commercial/ Residential	Not Posted	No	None	N/A	

The main line, known as the Middletown Secondary, runs north-south from New Haven to Portland, but runs east-west through the project area. The line crosses Route 66 (Washington Street) west of the project area and passes under St. John's Square. A double span bridge carries the track over Route 9 and continues as the Middletown Swing Bridge, a "swinging bridge", over the Connecticut River allowing boat traffic to pass freely. South of Middletown, the line connects with Conrail service in Middlefield or New Haven. The CCCL service schedule varies to accommodate the Conrail schedule, although typical service is one round-trip daily, three to four days a week, leaving Middletown around midday.

The Laurel Branch runs south of the main line parallel to and west of Route 9. At-grade crossings are located at Washington Street, Williams Street Extension at Metro Square, and Union Street under the Route 9/17 overpass. East of Route 9 and Union Street, the track crosses River Road at-grade and follows along the western bank of the Connecticut River, crossing River Road at-grade two more times. While this track actually extends to Old Saybrook, CCCL lease rights terminate just north of the Middletown-Haddam border. The primary function of the Laurel Branch is hauling sewage sludge under contract with the City of Middletown from the Middletown waste treatment facility on River Road to the Mattabassett Treatment Plant in Cromwell. Service operates five days a week with one round-trip departing Middletown about 9 or 10 a.m. and a second departure in the late afternoon; return trips depart Cromwell about 10 minutes after arriving and unloading tanks.

The Cromwell Branch runs north of the main line parallel to, and west of Route 9, connecting the Laurel Branch with the Mattabassett Treatment Plant on a portion of the old Valley Line to Hartford. CCCL leases this track to a point about one-half mile south of Cromwell Center. There is one at-grade crossing in the project area as the track crosses through the Miller Street residential area. Use of this recently rebuilt track is primarily for the aforementioned sludge deliveries and for other freight deliveries to the treatment plant, as required. CCCL has requested that the state extend the bounds of this lease to the Rocky Hill-Wethersfield border to service industrial land in that area.

The last project area rail line occupies a portion of the former Berlin Branch, switching northwest from the Cromwell Branch about one-tenth of a mile north of Hartford Avenue and just south of the Arrigoni Bridge. A freight yard for storage and switching covers about five acres immediately northwest of the Arrigoni Bridge. The track extends for approximately one mile and terminates at the Primary Steel plant.

### ■ Accidents/Safety

An overview assessment study on the operations of the roadways serving the Study Area was undertaken. This assessment was based on discussions with Captain Uliano from the Traffic Division in Middletown's Police Department, a review of accident statistics presented in the Draft EIS for the Route 9 and Route 66 interchange, and through field reconnaissance of these roadways.

Based on discussions with Captain Uliano, several areas of concern were noted. They included:

- If area is redeveloped, possible increase in truck traffic on Pease, Rome & Johnson
- Difficulty in getting to Route 9 from North Main Street.
- Illegal left turns from St. John Street on to Hartford Avenue.
- Lack of connection between Portland Street and Bridge Street.
- Difficult access to/from Miller Street from Route 9.

A review of the accident statistics contained in the referenced Draft EIS (presented in part as Table 3 below), indicated that several locations on the local roadway network produced higher than normal accident rates. They include Miller Street at CT Route 9 and North Main Street at Main Street and Hartford Avenue (St. John's Square).

Table 3  
North End Industrial Area  
Accident Summary  
1987 to 1990\*

<u>Location</u>	<u>1987*</u>	<u>1988</u>	<u>1989</u>	<u>1990*</u>	<u>Total</u>	<u>Annual Avg.</u>
Route 9						
at Miller St.	10	10	12	2	34	11.3
at Hartford Ave.	6	4	5	-	15	5.0
Route 66						
at St. John's Sq.	24	14	16	1	55	18.3
along Main St.	6	8	11	2	27	9.0

\* Includes records for the period 4/87-3/90.

Source: Connecticut Department of Transportation, as documented in Draft EIS for Route 9 and Route 66 Interchange.

### ■ Access to the Industrial Area

Based on the existing unimproved highway network, access to the North End Industrial Area can be achieved from the following directions:

1. From the North  
Generally, traffic from the north would approach on CT Route 9, turn right onto Hartford Avenue, turn right at St. John's Square onto North Main Street.
2. From the East  
Traffic destined for the study area from the east would approach via Route 66 over the Arrigoni Bridge. After crossing the river, entering traffic would have to take a right onto Spring Street, then another right on Rome Avenue, Pease Avenue, or High Street.
3. From the South  
Traffic destined for the study area from the south can approach from Route 9 via Hartford Avenue or Main Street, through the signalized intersection at St. John's Square, then northerly on North Main Street.
4. From the West  
Traffic approaching the redevelopment area from the west could use either CT Route 3 (Newfield Street) or CT Route 66 (Washington Street). From either of these routes, traffic would proceed north on Main Street, through the signal at St. John's Square and into the study area via North Main Street.

In addition to the above described principal or primary access routes into the North End Industrial Area, access can be achieved by using a number of local-residential streets, including Johnson Street, High Street, Columbus Avenue, Grove Street and Stack Street.

■ Egress from the Industrial Area

Again, based on the unimproved highway, egress from the North End Industrial Area, can be provided as follows:

1. To the North  
Traffic leaving the site from North Main Street destined to Route 9 northbound, would approach St. John's Square, turn right onto CT Route 66, then make a quick "U-Turn" back towards St. John's Square, then a left onto Hartford Avenue, then left onto Route 9 north.
2. To the East  
Traffic leaving the site destined to Portland and other points to the east, would travel south on North Main Street to St. John's Square, turn right onto Route 66 and cross the Connecticut River on the Arrigoni Bridge.

3. To the South

Traffic from the Redevelopment Area would travel south on North Main Street, turn right onto Route 66 at St. John's Square, make a quick "U-Turn" and proceed south through St. John's Square either straight to Main Street or left to Route 9 south.

4. To the West

Traffic leaving the site with destinations to the west would follow the above described southerly departure route and continues south on Main Street to Washington Street.

In addition to the above described principal or primary egress routes from the North End Industrial Area, egress can be achieved through the use of a number of local residential streets, including Johnson Street, Pease Avenue, Rome Avenue, High Street, and Stack Street. Traffic leaving the study area that uses Rome, Pease, High or Johnson to Spring Street, are essentially forced to travel south on Main Street from St. John's Square, as turn restriction, heavy traffic volumes and existing traffic signalization restrict other movements.

■ Access/Egress Summary

In general, while access into the North End Industrial Area is marginally better than the egress, neither could be classified or categorized as particularly conducive to safety and efficiently accommodating the potential traffic volumes that would be associated with or produced by a successful industrial area. In particular, access/agrees routes for larger tractor trailers are difficult and in some cases almost impossible due to the restrictive geometry and turn-movement prohibitions. Because of these noted circulation problems, truck traffic into or out of the industrial area has begun to use the local-residential streets as alternative routes. This practice is clearly inconsistent with good traffic engineering practices.

G. Regional Labor Skills

■ Employment Levels

Not unlike other regions in Connecticut, the Middletown Labor Market Area (LMA) has experienced a shift from the tight labor market of the 1980's to an excess labor market. In 1988 at the peak of the economic boom, the Middletown Labor Market Area had a labor force of 53,755 persons with 52,367 employed and 1,388 unemployed for an un-employment rate of 2.6 percent. In February of 1993, the un-employment rate had increased to 7.2 percent which is slightly below the statewide rate of 7.5 percent. In February 1990, there were 47,290 persons employed in the Middletown LMA. By February 1993, the number of persons employed had declined to 38,400 for a 18.8 percent decline. This decline in employment is expected to continue as a result of major cut-backs at Pratt and Whitney.

## ■ Skills of Jobseekers

The skills of those unemployed within the market area include a full range of occupation groups. Table 4 summarizes jobseekers registered with the Connecticut State Job Service in December 1992 in the Middletown Labor Market Area.

**Table 4**  
**Middletown Labor Market Area**  
**Characteristics of Jobseekers Registered with the Connecticut State Job Service**

<u>Occupational Category</u>	<u>Total Applicants</u>	<u>Occupational Category</u>	<u>Total Applicants</u>
Total - All Occupations	2,290	Processing	18
Professional-Technical-Managerial	501	Occupations in Processing Metal	06
Architecture & Engineering Occs.	66	Proc. Chemicals, Plastics, Synthet.	07
Mechanical Engineering Occups.	15	Machine Trades	223
Medicine & health occupations	17	Metal Machining Occupations	112
Occupations in Education	20	Machinists & Related Occups.	23
College and University	00	Turning Occupations	07
Secondary School Education	07	Metal Working	09
Primary School & Kindergarten	07	Fabricating Machine Work	01
Occupations in Art	14	Forming Occupations	02
Administrative Specializations	150	Mechanics & Machinery Repairers	83
Managerial Occupations	127	Motor Vehicle Mechanics & Rprs.	46
Wholesale & Retail Trade Mgmt.	23	Bench Work	96
Service Industry Management	27	Metal Prod. Assembly & Repair	41
Misc. Managers & Officials	23	Metal Unit Assemb. & Adjusters	32
Misc. Prof., Tech. & Managerial	23	Assembly & Repair of Elec. Equip.	23
Occs. In Social & Welfare Work	17	Assembly & Repair of Elec. Comp.	16
Clerical and Sales	525	Fab. & Repair Prod. of Asstd. Materials	05
Stenography, Typing & Related Occs.	177	Fab. & RPR Textile, Leather & Rel. Prd.	07
Secretaries	57	Sewing Machine Operators	03
Typing, Filing & Rel. Clerical	120	Structural Work	371
Computing & Account Recording	109	Occups. In Metal Fabrication	47
Bookkeepers	30	Welders, Flame Cutters & Rel. Occs.	21
Cashiers	43	Electricians & Related Workers	55
Electronic Data Processors	08	Painters	23
Other Comp. & Account Recording	28	Excavating, Grading & Rel. Occups.	32
Material & Production Recording	51	Other Construction Occupations	170
Shipping, Receiving & Stock Clerk	48	Carpenters & Related Occups.	62
Information & Message Distribution	41	Bricklayers & Masons	13
Misc. Clerical Occupations	36	Plmbrs, Gas, Steamfitters & Rel	08
Sales and Related Workers	111	Misc. Structural Workers	23
Service	330	Miscellaneous Occupations	188
Private Household Workers	06	Motor Freight Occupations	58
Food & Beverage Prep. & Serv.	128	Trailer-Truck Drivers	17
Waiters & Waitresses	19	Truck Drivers, Heavy	21
Chefs, Cooks, Large Hotels & Rest.	42	Truck Drivers, Light	15
Kitchen Workers	22	Transportation Workers, N.E.C.	16
Miscellaneous Personal Services	73	Packaging & Material Handling Oc.	91
Attendant, Hospital & Rel. Health Serv.	52	Packaging	13
Apparel & Furnishings Services	04	Materials Moving & Storage	23
Protective Services	41		
Security Guards & Correction Officers	28		
Building & Related Services	58		
Porters and Cleaners	49		
Agriculture, Fishery & Forestry	37		
Plant Farming Occupations	34		
Plant Life & Rel. Service Occ.	24		

Source: Connecticut Labor Department; Employment Security Division; Office of Research and Information.

As can be seen from a review of this table, the largest group of jobseekers is in the clerical and sales category (525) with professional -technical-managerial (501) a close second. In total, these two categories represent almost 50 percent of all jobseekers. This can be attributed to the white collar nature of the recent recession. The structural work category with 371 jobseekers includes those primarily involved in the building trades and reflects the impact of the recession on construction activities. Three other categories; processing, machine trades and bench work total 337 jobseekers. These categories can be considered manufacturing sector jobs.

### ■ Future Employment Needs

In order to examine trends for future employment needs, the 1992-1993 Planning Guide prepared by the Connecticut Department of Labor Office of Research was reviewed. This document contains an estimate of the employment needs in the Meriden-Middletown Service Delivery Area in various industry sectors for 1995 and measures the increase over 1990 employment in these various sectors. Table 5 summarizes this material.

Table 5  
Estimated Employment by Industry: Change & Rate  
Meriden-Middlesex SDA

	<u>1990</u>	<u>1995</u>	<u>% Change</u>
All Industries	90,637	94,975	4.79
Agriculture	898	940	4.68
Construction & Mining	3,801	4,188	10.18
Manufacturing	19,119	19,224	0.55
Durable	14,380	14,620	1.67
Non-Durable	4,739	4,604	-2.85
Trans, Comm, Utilities	4,281	4,498	5.07
Trans	1,417	1,592	12.35
Comm. & Utilities	2,864	2,906	1.47
Trade	17,137	17,969	4.85
Wholesale	2,763	2,965	7.31
Retail	14,374	15,004	4.38
FIRE	9,721	10,280	5.75
Finance	1,730	1,844	6.59
Ins. & by Agents	7,326	7,668	4.67
R.E. R.E. Law	665	768	15.49
Services	25,972	27,813	7.09
Bus & Prof	3,019	3,641	20.60
Health	9,719	10,253	5.49
Legal	460	530	15.22
Educational	6,050	5,924	-2.08
All Other	8,724	7,465	11.02
Government	5,477	5,509	.58
Federal & P.O.	487	497	2.05
State & Local	4,990	5,012	.44

Source: Planning Guide 1992-1993 Meriden-Middlesex Service Delivery Area.

It should be noted that the Meriden-Middletown Service Delivery Area is somewhat larger than the Middletown Labor Market Area in that it also includes Meriden, Chester, Deep River, Essex, Westbrook and Old Saybrook. As it is, when one compares the estimated employment needs with the number of jobseekers listed in Table 1, there is clearly not a substantial excess of employment opportunities over available jobseekers. For example, the manufacturing sector shows a modest increase of 5 jobs by 1995 and there are currently 337 jobseekers in the manufacturing sector in the Middletown Labor Market Area alone. In addition, the present number of jobseekers in the manufacturing sector does not reflect the potential increase from planned reductions at Pratt and Whitney and other related industries.

#### ■ Employer Perceptions of Skill Needs

Recently, the Meriden-Middlesex Private Industry Council conducted a survey of employers to determine their requirements regarding employee attributes and skills. The results of this survey were used to recommend program activities for the PIC for the 1993-1994 Program Year. The survey asked employers to rate a series of attributes/skills as Not Important, Important or Essential. The attributes/skills were divided into four categories: Personal Attributes, Education Levels, Cognitive Skills and Technical Skills.

Conclusions drawn from the survey and published in Employee Attributes and Skills Profile Report; Private Industry Council of the Meriden-Middlesex Service Delivery Area were as follows:

- Personal Attributes and Cognitive Skills of potential employees are more important to area employers than are Occupation/Job Specific Skills.
- U.S. Citizenship is important to area employers only for those occupations which require citizenship as a bona fide condition of employment, e.g., Government Defense Contract occupations.
- Basic literacy skills are essential to area employers.
- Minimum acceptable education level for area employers is high school graduate.
- Area employers are looking for potential employees who are trainable in occupation/job specific skills.
- Area employers would like potential employees to possess writing, documentation, and basic office skills.

- Specific occupation/job skills commonly identified as desirable by area employers are computer literacy skills; word processing skills; computer software skills including Wordperfect, LOTUS, DOS; clerical skills including use of standard office equipment; writing skills including report writing, memorandum writing, and editing; Certified Nurses Assistant skills.

It is clear from the conclusions that area employers are prepared to train employees in the job specific skills needed for their particular business. The greater need is for basic educational levels and personnel attributes which will allow this job specific training. This need for basic skills was also expressed by various business people interviewed as part of the market research for the North End Industrial Area.

#### ■ Conclusion

Based upon the number and skill range of jobseekers currently in the marketplace combined with continued reductions by major employees such as Pratt and Whitney it can be concluded that a labor surplus will continue for the foreseeable future. This is particularly true when one examines the Department of Labor estimates for future needs. Therefore, it is concluded that the availability of labor skills will not be a deterrent to development in the North End Industrial Area.

#### H. Community Perceptions of the North End Industrial Area

An important work task of this study was to interview selected community leaders, individuals involved in area industry, finance and real estate and city staff involved with the development process. Thirty seven persons were interviewed, some on more than one occasion. The interviews focussed upon two questions. First, the perception of the current status of Middletown's economy and its near term prospects were solicited. Second, the individual was asked to describe their perception of the "most appropriate" reuse of the North End Industrial Area.

There appears to be consensus among this group as to the importance of the North End study area to the economy of the City. The statements "proximity to Central Business District," "small, manageable area", and "ideal for small businesses" were often heard. Most felt that the area would continue to deteriorate without some targeted intervention by the City.

The overwhelming majority of those interviewed felt that a project with an orientation toward small businesses as the primary component, was currently not being served in the market and would yield the most appropriate reuse of the area. The limited size of the project area was viewed as an advantage in that it produced a manageable sized project in a difficult economy. No one interviewed indicated that doing nothing was a viable option.

The following is a list of persons and organizations interviewed:

## LIST OF INTERVIEWS

1. Pat Woomer/Ray Ledger  
Stone Container Co.  
Portland, CT
2. Russell G. St. John  
Connecticut Central Railroad  
Middletown, CT
3. Farley Company  
Hartford, CT
4. Jeff R. DelFavero  
Del Favero Builder, Inc.  
Middletown, CT
5. William J. Ryczek  
Liberty Bank  
Middletown, CT
6. The FIP Corporation  
Cheshire, CT
7. Ted Miazga  
Middletown Builders and Supply Co.  
Middletown, CT
8. George R. Brown, Jr.  
Economic Development Task Force  
Middletown, CT
9. Lewis B. Daniels, Jr.  
Economic Development Task Force  
Middletown, CT
10. Murray A. Gerber  
Prototype & Plastic Mold Co.  
Economic Development Task Force  
Middletown, CT
11. Chester D. Camarata, Peter S. Simmonds  
Department of Economic Development  
State of Connecticut
12. Department of Transportation  
State of Connecticut
13. Smith Street Development Corp  
Middletown, CT
14. Larry McHugh  
Middlesex County Chamber of Commerce  
Middletown, CT
15. Vincent A. Amato  
Economic Development Task Force  
Middletown, CT
16. William J. Corvo  
Economic Development Committee  
Middletown, CT
17. William "Bro" Adams  
Wesleyan University  
Middletown, CT
18. C.M. Burns Management  
Middletown, CT
19. Stephen T. Gionfriddo  
Deputy Mayor  
Economic Development Committee  
Middletown, CT
20. Ed Loveland  
Middletown Manufacturing Co.  
Middletown, CT
21. DaQui - Belding Partners  
Rocky Hill, CT
22. Coska Realty  
Cromwell, CT
23. CB Commercial  
Hartford, CT
24. Jansing Real Estate  
Hartford, CT

## LIST OF INTERVIEWS (cont'd)

- |                                                 |                                                                             |
|-------------------------------------------------|-----------------------------------------------------------------------------|
| 25. Guy Mazotta<br>Century 21<br>Middletown, CT | 31. Knaus Development<br>Berlin, CT                                         |
| 26. H. Pierce<br>Wethersfield, CT               | 32. Location Realty<br>Middletown, CT                                       |
| 27. Bimswanger East<br>Philadelphia, PA         | 33. Cushman & Wakefield<br>Hartford, CT                                     |
| 28. MEDCO<br>Meriden, CT                        | 34. Dow & Condon<br>Hartford, CT                                            |
| 29. Kingsbrook Development<br>Meriden, CT       | 36. William M. Kuehn, Jr.<br>Municipal Development Office<br>Middletown, CT |
| 30. Devcon Associates<br>Meriden, CT            | 37. Ed Muzik<br>JEM Wire Products, Inc.<br>Middletown, CT                   |

### I. Cost Benefit Analysis

#### ■ General Approach

The proposed development will have a number of beneficial growth-inducing impacts on the City in terms of jobs and revenues. The proposed project will provide permanent employment for 264 employees at stabilized occupancy plus 106 part time jobs and 119 spin-off jobs in addition to the construction labor required. Annual local tax revenues generated by this North End Project, once new development is completed, will total approximately \$160,000. In addition, the State will also receive additional income and sales tax revenues.

The following analysis discusses the economic impact of the project from five perspectives: municipal fees and user charges; property tax revenues; long term job creation and income; spin-off economic benefits; and new State revenue. The overall model assumes 4 percent growth factors after the stabilized year is reached. It is estimated that the project will be built in out over three years and completed by 1996. The complete Revenue Generation Model containing projections to the year 2000 can be found at the end of this section.

### ■ Property Tax Revenues

The largest single cash flow directly to the City of Middletown will be generated by real and personal property tax revenue from the project. By 1996, upon reaching the stabilized year, the project will create property tax revenue of approximately \$160,000 per year.

### ■ Jobs and Income

It is estimated that by 1996 the North End Industrial Area will contain a total of approximately 264 full time and 106 part time jobs which, in turn, will generate 119 additional full time jobs throughout the region and produce \$10.8 million worth of new personal income. By 2000, this total new personal income is projected to total \$14 million.

### ■ Spin-Off Economic Benefits

Utilizing research by the U.S. Department of Commerce, approximately 40 percent of the total income earned by new employees is spent on retail sales within the area. It is then possible to estimate the additional dollar volume of retail sales by types of goods sold. Using the 1987 Census of Retail Trade, the percentage of the County's personal income spent on various types of goods can be determined. These percentages are then factored against the 40 percent of personal income generated by new jobs (\$4,358,656). As seen in the Revenue Generation Model which follows in 1996 it is projected that Automobile Dealers would capture 28.5 percent of spendable income or \$1,098,381, Food Stores would capture 17.9 percent or \$784,558 Miscellaneous Retail would capture 12.6 percent or \$462,018; and Eating and Drinking Establishments would capture 8.4 percent or \$387,920.

The Industrial Area itself will generate retail sales. Estimates for this activity are \$4.5 million in sales activity. Together, retail sales generated by the two aforementioned groups will total \$8.8 million in 1996. By 2000, total retail sales are projected to be \$12.2 million.

### ■ New State Revenue

The State of Connecticut will also realize new revenues from the development of the North End Industrial Area in the form of real estate transfer taxes and personal income and sales tax revenues. State sales tax revenues are projected to be \$531,000 in 1996, increasing to \$791,000 in 2001. State personal income taxes are projected at \$327,000 in 1996 rising to \$455,000 in 2001.

PROJECT: REHABILITATION & BUILD OUT OF STUDY AREA

Page 1

SHORT TERM JOBS & INCOME

New Building Development (s.f.) @ \$55/s.f.  
Building Rehabilitation (s.f.) @ \$20/s.f.  
Estimated Construction Cost

70000  
42500  
\$4,700,000

assumes 4 new 15,000 sf industrial bldgs. & 1 10,000 sf expansion  
assumes small business incubator at Remington bldg.

Jobs Created - Construction full-time equivalents  
Average Annual Income (1993 estimate) [1]

103  
\$27,360

Estimated Gross Personal Income - Construction

\$2,820,000

LONG TERM JOBS & INCOME

Small Business Incubator @ 500 sf/job  
Distribution Space @ 2000 sf/job  
New Industrial Bldgs. @ 500 sf/job  
Existing Business Expansion @ 600 sf/job

YEAR 1 1994 1995 1996 1997 1998 1999 2000

Stabilized  
Year

20 15 30 10 75 30 34 \$24,056 \$8,200 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

40 30 60 15 145 58 65 \$25,018 \$8,528 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

85 39 120 20 264 106 119 \$26,019 \$8,869 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

86 40 120 21 267 107 120 \$27,060 \$9,224 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

88 41 124 22 275 110 124 \$28,142 \$9,593 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

90 42 128 23 283 113 127 \$29,268 \$9,977 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

92 43 132 24 291 116 131 \$30,439 \$10,376 \$2,862,090 \$5,754,709 \$10,896,641 \$11,461,285 \$12,276,882 \$13,139,389 \$14,051,253

Jobs Created - Full Time:

Part Time:

New Jobs @ 45% of Jobs Created [2]  
Average Annual Income [1] - Full Time:  
Part Time:

Estimated New Gross Personal Income

TOTAL NEW PERSONAL INCOME

SOURCE: [1] Connecticut Department of Labor  
[2] Center for Urban Policy Research, Rutgers University

PREPARED BY: HARRALL - MICHALOWSKI ASSOCIATES, INC.

# REVENUE GENERATION ANALYSIS - NORTH END INDUSTRIAL AREA, MIDDLETOWN, CT.

## PROJECT: REHABILITATION & BUILD OUT OF STUDY AREA

### REVENUE GENERATION MODEL

Page 2

SPIN - OFF ECONOMIC BENEFITS FROM INCOMES OF NEW EMPLOYEES	YEAR					
	1994	1995	1996	1997	1998	1999
Retail Sales @ 40% of Personal Income [1]	\$2,272,836	\$2,301,884	\$4,358,656	\$4,584,514	\$4,910,753	\$5,255,755
Durable Goods [2]						
Building Materials @ 5.9%	\$134,097	\$184,151	\$348,693	\$366,761	\$392,860	\$420,460
Automobile Dealers @ 28.5%	\$647,758	\$580,075	\$1,098,381	\$1,155,298	\$1,237,510	\$1,324,450
Furniture & Home Equipment @ 4.4%	\$100,005	\$103,585	\$196,140	\$206,303	\$220,984	\$236,509
Non-Durable Goods [2]						
Food Stores @ 17.9%	\$406,838	\$414,339	\$784,558	\$825,213	\$883,935	\$946,036
General Merchandise @ 8.1%	\$184,100	\$237,094	\$448,942	\$472,205	\$505,808	\$541,343
Eating & Drinking Establishments @ 8.4%	\$190,918	\$204,868	\$387,920	\$408,022	\$437,057	\$467,762
Gasoline Service Stations @ 6.8%	\$154,553	\$145,019	\$274,595	\$288,824	\$309,377	\$331,113
Apparel & Accessories @ 3.9%	\$88,641	\$124,302	\$235,367	\$247,564	\$265,181	\$283,811
Drug & Proprietary @ 3.4%	\$77,276	\$57,547	\$108,966	\$114,613	\$122,769	\$131,394
Miscellaneous Retail @ 12.6%	\$286,377	\$244,000	\$462,018	\$485,958	\$520,540	\$557,110

### SPIN - OFF ECONOMIC BENEFITS BASED UPON SALES WITHIN PROJECT AREA

#### Durable Goods

Miscellaneous Retail/Services	\$900,000	\$2,000,000	\$4,500,000	\$4,950,000	\$5,445,000	\$5,989,500
Total Project Area Sales	\$900,000	\$2,000,000	\$4,500,000	\$4,950,000	\$5,445,000	\$5,989,500
TOTAL RETAIL SALES	\$3,172,836	\$4,301,884	\$8,858,656	\$9,534,514	\$10,355,753	\$11,245,255

SOURCE: [1] U.S. Department of Commerce

[2] Percentages derived from Middlesex County sales as reported in 1987 Census Of Retail Trade.

PREPARED BY: HARRALL - MICHALOWSKI ASSOCIATES, INC.

## May 10, 1993

**Page 3**

Est. Municipal Property Tax Rate	20.70
Est. Fire District Tax Rate:	4.20
	-----
<b>Total</b>	<b>24.90</b>

**20.70**

## 4.20

**24.90**

YEAR	1	2	3	4	5
1994					
1995					
1996					
1997					
1998					

Building Permit Fees	\$9,450	\$6,150	\$15,000	\$2,500
Zoning Permit Fee:	\$400	\$200	\$400	\$200
Water Main Connection Charges	\$3,600	\$3,600	\$7,200	\$0
Sewer Connection Charges	\$15,000	\$15,000	\$30,000	\$0

MUNICIPAL FEES	\$28,450	\$24,950	\$52,600	\$2,700	\$2,700
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REVENUE GENERATION ANALYSIS - NORTH END INDUSTRIAL AREA, MIDDLETOWN, CT.

REVENUE GENERATION MODEL	PROJECT: REHABILITATION & BUILD OUT OF STUDY AREA								Page 4
	YEAR 1 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	
TAXES GENERATED BY DEVELOPMENT									
Real Property Tax									
New Industrial Buildings									
Total s.f. -	15000	30000	60000	60000	60000	60000	60000	60000	60000
Tax (\$1.00 per s.f.)	\$1.00	\$1.04	\$1.08	\$1.12	\$1.17	\$1.22	\$1.27	\$1.32	\$1.32
Rehabilitated Buildings									
Total s.f. -	10000	20000	42500	42500	42500	42500	42500	42500	42500
Tax (\$.40 per s.f.)	\$0.40	\$0.42	\$0.43	\$0.45	\$0.47	\$0.49	\$0.51	\$0.53	\$0.53
Real Property Tax Revenues:	\$19,000	\$39,520	\$83,283	\$86,615	\$90,079	\$93,682	\$97,430	\$101,327	
Personal Property @ \$.75 per s.f. includes machinery & equipment furniture & fixtures electronic data processing	\$18,750	\$37,500	\$76,875	\$79,950	\$83,148	\$86,474	\$89,933	\$93,530	
Personal Property Tax Revenue	\$18,750	\$37,500	\$76,875	\$79,950	\$83,148	\$86,474	\$89,933	\$93,530	
TOTAL PROPERTY TAX REVENUES	\$37,750	\$77,020	\$160,158	\$166,565	\$173,227	\$180,156	\$187,362	\$194,857	

NOTE: ENTERPRISE ZONE PROVIDES 5 & 7 YEAR GRADUATED ABATEMENTS FOR REAL & PERSONAL PROPERTY  
STATE REIMBURSEMENT FOR UP TO 75% OF ABATED TAXES AVAILABLE

PREPARED BY: HARRALL - MICHALOWSKI ASSOCIATES, INC.

REVENUE GENERATION ANALYSIS -- NORTH END INDUSTRIAL AREA, MIDDLETOWN, CT.

REVENUE GENERATION MODEL	PROJECT: REHABILITATION & BUILD OUT OF STUDY AREA								Page 5
STATE REVENUES	YEAR 1 1994	2 1995	3 1996	4 1997	5 1998	6 1999	7 2000	8 2001	
State Personal Income Taxes									
Total New Personal Income Tax Rate*	\$5,682,090 3.00%	\$5,754,709 3.00%	\$10,896,641 3.00%	\$11,461,285 3.00%	\$12,276,882 3.00%	\$13,139,389 3.00%	\$14,051,253 3.00%	\$15,175,353 3.00%	
Total Personal Income Tax	\$170,463	\$172,641	\$326,899	\$343,839	\$368,306	\$394,182	\$421,538	\$455,261	
State Sales Tax Revenues									
Estimated Retail Sales Tax Rate	\$3,172,836 6.00%	\$4,301,884 6.00%	\$8,858,656 6.00%	\$9,534,514 6.00%	\$10,355,753 6.00%	\$11,245,255 6.00%	\$12,208,951 6.00%	\$13,185,667 6.00%	
Total Sales Tax Revenues	\$360,833	\$258,113	\$531,519	\$572,071	\$621,345	\$674,715	\$732,537	\$791,140	
TOTAL STATE REVENUE	\$531,296	\$430,754	\$858,419	\$915,909	\$989,652	\$1,068,897	\$1,154,075	\$1,246,401	

\* blended rate with single filer/family exemptions

PREPARED BY: HARRALL -- MICHALOWSKI ASSOCIATES, INC.

## **APPENDICES**

# Appendix A

## SELECTED INDUSTRIAL DEVELOPMENTS

### MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
<b>Middletown</b>							
Tuttle Business Park 20-54 Tuttle Place (Delfavero)	6	4	85,000 SF	1987	\$5.00 - \$10.00 Triple Net	34,700 SF	State Farms Sure Tech Comcast Alcotel ITT/Scotch Division
Industrial Park Place 14-34 Industrial Park (Delfavero)	6	2	46,400 SF	1980-82	\$4.50 - \$10.00 Triple Net	16,000 SF	Carrier TSSI ABB Garling House Co.
Industrial Park Place 80 Industrial Park	5	2	120,000 SF	N/A	N/A	0 SF	Safeway Rayco Dainty Rubbish
Great River Park 362 Industrial Park	4+	1	70,000 SF	1980's	\$3.50 Triple Net	24,000 SF	Environmental Sciences Lord & Hodge Corbin Mfg Sullivan Dental
Newfield Industrial Park 770 Newfield Road	3+	2	36,000 SF	1980's	\$3.50 Triple Net	4,000 SF	Mastercrafters Newtown Mfg Middletown Auto

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Smith St. Office & Industrial Park 450 Smith Street	5	3	74,500 SF	1981-1987	\$6.50 - \$9.00 Net	15,000 SF	Z-Mike Northland Energy Efficient Systems
Middle Street 330 Middle Street	5+	1	40,000 SF	1974	\$3.00 Triple Net	30,000 SF	GBS-C
Middle Street 975 Middle Street	2.49	1	29,000 SF	1989	\$2.50 - \$3.00 Triple Net (\$1,300,000)	26,000 SF	
Olin Building 474 Smith Road	7+	1	103,000 SF	1960's	\$2.00 - \$3.00 Triple Net (\$2,500,000)	103,000 SF	Vacant
North & Judd Bldg 699 Middle Street	38	1	260,000 SF	1970's	\$3.25 Triple Net (\$8,000,000)	180,000 SF	North & Judd Weathershield
North & Judd Bldg Pamecha & Highland		1	34,000 SF	1900's	\$2.00 Triple Net (\$299,000)	34,000 SF	Vacant

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Rossi Lumber Yard Berlin Street		3	30,000 SF	1970's	\$4.00 Triple Net (\$1,900,000)	20,000	
Remington Rand Bldg North Main Street	5+	1	180,000 SF	1890's	\$2.00 Triple Net	120,000 SF	Stone Container
Bob's Surplus Building Main Street	3+	1	50,000 SF	1900's	\$1.50 - \$2.00 Triple Net	0 SF	Royal Display
Berlin							
Spruce Brook 20-245 Park Dr.	74	9	346,895 SF	1980's	\$4.00 - \$5.00 Triple Net Bldg 222 for sale (\$3.5 million) Bldg 24 for sale (\$1.7 million)	89,000 SF	Walden Tools Miles/Plastics Group Bundy Inc. Aerospace Coating New England Insulated Dwight Foote Inc.
Berlin Commerce 91-105 Clark Drive	5+	3	100,422 SF	1986	\$5.00 - \$6.00 Triple Net	10,000 SF	Reliance Automotive CNC Machining

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Berlin Industrial Park 51 - 81 Fuller Way		4	129,338 SF	1986	\$4.00 - \$5.00 Triple Net	25,504 SF	Poland Springs Space Electronics
Riverbend 124 Oak Drive (Knaus Development)	42	2	52,741 SF	1985	\$4.00 - \$5.00 Triple Net	0 SF	Rykoff-Sexton Eastern Fastener
American Industrial Park 870-872 Four Rod Rd	3+	2	13,500 SF	1987	\$5.00 - \$6.00 Triple Net	1,500 SF	Crystal lab American Plasters
Brickyard Bus. Center Old Brickyard Ln	20	2 (50% Completed)	36,000 SF	1988	\$6.00 Triple Net	36,000 SF	Vacant
<b>Cromwell</b>							
Corporate Row 200 - 1000 Corporate Row (Tek-Con)	15+	7	58,804 SF	1985's	\$4.50 - \$8.00 Triple Net	2,000 SF	New Britain Machine Northeast Copy Systems Inc. RWK Tool
Progress Park Progress Park Drive	25+	1 (under construction)	11,000 SF	1993	\$8.00 Triple Net	0 SF	Liturgical Publication

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Sebethe Drive 100 - 133 Sebethe Drive	8+	6	60,894 SF	1987	\$6.00 - \$8.50 Triple Net	5,000 SF	Comcast Atlantic HVAC
Alcap Ridge 3-14 Alcap Ridge	20+	5	140,622 SF	1960	\$4.50 - \$7.50 Triple Net	6,100 SF	Tri-Star Systems Group Alcoa/Bonding Tech.
Nooks Hill 46 - 48 Nooks Hill	10+	4	62,925 SF	1985; older bldgs	\$2.00 - \$7.50 Triple Net	21,600 SF	Capwell Co. Ripley Co. Horton Brass
<b>Meriden</b>							
Meriden Enterprise Center 290 Pratt	10+	1	381,000 SF	older; renovated	office: \$10.00 - \$12.00 mfg.: \$2.50 - \$3.50	111,000 SF	Targetech Mechanical Finishers Cummings Group State Dept. of Labor
Comtech Bus. Center 470 Murdock Ave.	7	1	45,000 SF	1987	\$9.50 Triple Net	22,000 SF	Microengineering Solution GSA
Medway Bus. Park Pond View Dr. (FIP)	55	4	334,000 SF	1970's	N/A Triple Net	0 SF	Microgenesys CT Electric ASS Pumps

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Silver Hill Business Center 500 South Broad	34+	1	430,000 SF	1957	\$3.00 SF Triple Net	100,000 SF	Fostick Corp.
The Hub 1 State Street	7+	1	210,000 SF	older	\$2.00 SF Triple Net	210,000 SF	Vacant
Pewter Mill Charles Street	N/A	1	100,000 SF	older	\$2.00 SF Triple Net	100,000 SF	Vacant
7-Up Building 127 Pomeroy	4	1	51,000 SF	1963	\$3.00 SF Triple Net (\$1,400,000)	51,000 SF	Vacant
Former Saab Bldg 1200 Northrop	20	1	144,000 SF	1988	\$4.50 Triple Net (\$8,500,000)	144,000 SF	
<b>Middlefield</b>							
Brookside Drive 6-21 Brookside Dr	35+	3	123,720 SF	1970's	\$3.75 - \$5.00	14,000 SF	Biosystems Zygo

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Middlefield Industrial Park Old Indian Trail	25+	12	Phase I: 67,074 Phase II: 39,420	1975 - 1985	\$3.50 - \$4.50 Triple Net	8,000 SF	Theta Co. Ram R. Hall Xenelis Constr. Custom Craft Power Hold T.E.T. Mfg.
Reeds Gap 33 Reeds Gap Rd	8	1	33,124 SF	1960's	\$3.00 - \$4.00 Triple Net	0 SF	Cooper Instrument
West Street 24 West Street	5.5	7	34,420 SF	1960's	\$3.00 - \$4.00 Triple Net	0 SF	REF Mfg Lyman Products
Rocky Hill							
Dividend Road 272 - 299 Dividend Rd.	N/A	5	360,000 SF	1980's	\$4.50 - \$8.50 Triple Net	31,554 SF	Carol Wire Pratt & Whitney
Hammerhill Road 41 -130 Hammerhill Road (DeQui Belding)	N/A	4	90,890 SF	1987	\$4.50 - \$8.50 Triple Net	15,500 SF	Douglas Mfg Co-Ex ChemLawn

# SELECTED INDUSTRIAL DEVELOPMENTS

## MIDDLETOWN REGION

Complex Name Address (Developer)	Acres	Number of Buildings	Total Square Footage	Date of Building	Rental Rates Lease Terms (Sales Terms)	Availability of Space	Major Tenants
Inwood Industrial Park 30 - 70 Inwood Road (DeQui Belding)	N/A	3	157,402 SF	1987	\$4.50 - \$10.00 Triple Net	10,000 SF	Phillip Morris A.B. Dick
Rocky Hill Industrial Park 16 - 114 Old Forge Rd.			60,252 SF	1980's	\$3.00 - \$7.00 Triple Net	20,000 SF Bldg. 114 (\$975,000)	Abacus Halstead Ind. Cleary Millworks
<b>Portland</b>							
Brownstone Industrial Park Airline Ave. Brownstone Ave.	75+	15	250,000 SF	1960's	\$2.75 - \$6.00 Triple Net	25,000 SF	Waverly Printing Stone Container Standard Knapp Lagano Trucking
High Street	10+	3	47,000 SF	1965- 1975	\$3.25 - \$5.00 Triple Net	0 SF	Scott & Daniel Precision Plastics

Source: Real Estate Brokers, Developers, and Municipal Officials

## Appendix B

### MIDDLETOWN REGION INDUSTRIAL DEVELOPMENTS

#### VACANCY RATES

Town	# of Buildings	Total Industrial Space	Available Industrial Space	Vacancy Rate
Berlin	22	653,446 SF	126,004 SF	19%
Cromwell	23	334,245 SF	34,700 SF	10%
Meriden	8	1,354,000 SF	377,000 SF	28%
Middlefield	23	297,758 SF	22,000 SF	7%
Middletown	16	500,900 SF	149,700 SF	29%
Rocky Hill	12	668,564 SF	77,054 SF	12%
Portland	18	250,000 SF	25,000 SF	10%
<b>Total</b>	<b>122</b>	<b>4,049,903 SF</b>	<b>811,458 SF</b>	<b>20%</b>

*Note: Excludes Class C Industrial Space*

*Olin Building & North Judd Facility not included in Middletown calculations*

Source: Real Estate Brokers, Developers, and Municipal Officials

## Appendix C

### MIDDLETOWN REGION INDUSTRIAL DEVELOPMENTS

#### LEASE RATES/ SALES TRENDS

Listing Lease Rates		
<u>Building Type</u>	<u>Range</u>	<u>Average</u>
Warehousing/Distribution	\$2.00 - \$4.75	\$3.00
Manufacturing	\$2.50 - \$6.00	\$4.00
Flex Space	\$2.50 - \$11.00	\$6.75
Class C Industrial	\$1.00 - \$2.00	\$1.75

Industrial Sales Trends		
<u>Sale Transaction Type</u>	<u>Range</u>	<u>Average</u>
Vacant Land	\$25,000 - \$122,350/Acre	\$68,439/Acre
Buildings	\$20.11 - \$59.36/Square Foot	\$39.13/Square Foot

Source: Real Estate Brokers, Developers, Municipal Officials, Tax Assessors

# INDUSTRIAL PROPERTY TRANSACTIONS - LAND

## MIDDLETOWN REGION

1990 - 1993

Address	Acres	Sale Date	Price	\$/Acre
<b><u>Cromwell</u></b>				
Sebethe Dr.	7.56	Jun-90	\$925,000	\$122,354
Progress Dr.	1.18	Jun-90	\$325,000	\$275,423
Sebethe Dr./North Rd	40.28	Jan-93	\$1,000,000	\$24,826
<b><u>Meriden</u></b>				
211 Pomeroy Ave.	10.38	Aug-90	\$550,000	\$55,000
999 Research Parkway	31.02	Nov-90	\$450,000	\$14,500
351 Research Parkway	6.8	Apr-91	\$580,000	\$85,294
<b><u>Middlefield</u></b>				
11 Old Indian Trall	5.53	Jul-91	\$200,000	\$36,166
<b><u>Rocky Hill</u></b>				
Belamose Ave.	5.9	Feb-91	\$200,000	\$33,898
5 Hammerhill Road	4.7	Feb-91	\$300,000	\$63,829
154 Old Forge Road	3.97	Jul-91	\$160,000	\$40,302
500-700 Capital Blvd	55.8	Nov-92	\$6,175,000	\$110,671

Source: Municipal Tax Assessors

# INDUSTRIAL PROPERTY TRANSACTIONS - BUILDING

## MIDDLETOWN REGION

1990 - 1993

Address	Acres	Size	Age	Sale Date	Price	\$/Square Foot
<u>Berlin</u>						
124 White Oak Dr	3.05	17,802 SF	1990	Apr-90	\$1,056,800	\$59.36
128 Old Brickyard Ln	29.1	106,195 SF	N/A	Sep-92	\$3,513,000	\$33.08
42-49 Episcopal Rd.	4.9	25,814 SF	1989	Dec-92	\$950,000	\$36.80
<u>Cromwell</u>						
1000 Corporate Park	2.3	28,861 SF	1988	Mar-91	\$1,450,000	\$50.25
<u>Meriden</u>						
800 Research Parkway	25.06	155,826 SF	N/A	Nov-92	\$5,600,000	\$35.93
<u>Middlefield</u>						
36 Industrial Park	1.37	5,000 SF	1989	Jun-92	\$236,000	\$47.20
27 Industrial Park	1.37	8,600 SF	1988	Dec-92	\$325,000	\$37.79
<u>Middletown</u>						
131 Tuttle Road	4.88	10,888 SF	1977	Sep-92	\$344,750	\$31.66
Beverly Heights	0.36	14,914 SF	1860	Nov-92	\$300,000	\$20.11

Source: Municipal Tax Assessors